

**Enrolled**  
**Senate Bill 1045**

Sponsored by Senators HASS, HANSELL; Representatives HAYDEN, KENY-GUYER, MARSH,  
WILDE

CHAPTER .....

AN ACT

Relating to the taxation of property used in a home share program; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1. As used in sections 1 to 5 of this 2019 Act:**

**(1) “Adopting jurisdiction” means the governing body of a city or county that has adopted an ordinance or resolution pursuant to section 2 of this 2019 Act.**

**(2) “Consumer Price Index for All Urban Consumers, West Region” means the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.**

**(3) “Eligible property” means a home that is used pursuant to a home share agreement facilitated by a home share program and, if the land is owned by the home share provider, the land upon which the home is situated.**

**(4) “Family member” means an individual related, by blood, marriage, domestic partnership, adoption, fosterage or otherwise as specified below, to another individual in any of the following ways:**

- (a) A spouse, former spouse, domestic partner or former domestic partner;**
- (b) A parent or grandparent of any generation;**
- (c) A child or grandchild of any generation;**
- (d) An individual who acts or has acted in loco parentis;**
- (e) An aunt, uncle, niece or nephew of any generation; or**
- (f) A cousin of any degree.**

**(5) “Home” means the principal place of residence of a home share provider.**  
**(6) “Home share agreement” means a rental agreement for living space entered into by a home share provider with one or more home share seekers in return for money or other property or services.**

**(7) “Home share program” means a program for the purpose of addressing homelessness, due to any cause, by facilitating home share agreements, subject to all applicable federal, state and local laws and the rules of the home share program, that is operated by:**

- (a) A nonprofit corporation organized under ORS chapter 65;**
- (b) A corporation described in section 501(c)(3) of the Internal Revenue Code that is exempt from income taxation under section 501(a) of the Internal Revenue Code;**
- (c) A housing authority as defined in ORS 456.005; or**
- (d) An adopting jurisdiction.**

(8) “Home share provider” means an individual homeowner who rents or offers to rent space in the individual’s home to one or more home share seekers through a home share program.

(9) “Home share seeker” means an individual who seeks or obtains housing in the home of a home share provider through a home share program.

(10) “Qualified property” means eligible property for which an exemption application has been approved under section 4 of this 2019 Act.

**SECTION 2.** (1) The governing body of a city or county may adopt an ordinance or resolution granting a property tax exemption for eligible property located within the boundaries of the city or county, respectively.

(2)(a) The exemption shall be granted as a subtraction from the assessed value of the qualified property for a property tax year in an amount, not to exceed \$300,000, determined by the adopting jurisdiction in consultation with the applicable home share program.

(b) The adopting jurisdiction shall annually adjust the dollar amount specified in paragraph (a) of this subsection by multiplying the amount by the percentage, if any, by which the monthly averaged Consumer Price Index for All Urban Consumers, West Region, for the 12 consecutive months ending on the immediately preceding December 31 exceeds the monthly averaged Consumer Price Index for All Urban Consumers, West Region, for the 12 consecutive months ending on the second preceding December 31.

(3) The ordinance or resolution must:

(a) Limit home share seekers to individuals who, at the time the individuals enter into a home share agreement, have a combined household income that does not exceed 60 percent of area median income or a lesser percentage determined by the adopting jurisdiction;

(b) Require any home share agreement to offer space in the qualified property at a rent that is affordable to home share seekers described in paragraph (a) of this subsection;

(c) Prohibit an exemption if the home share seeker and home share provider are family members;

(d) Specify the period for which an exemption may be granted; and

(e) Specify a permissible period of not less than three months and not more than six months during which a home share provider may enter into a new home share agreement with a home share seeker under section 5 (4)(b) of this 2019 Act before the qualified property is disqualified from the exemption.

(4) The adopting jurisdiction may specify in the ordinance or resolution:

(a) How often or other circumstances in which a home share provider must reapply for the exemption; and

(b) Other provisions relating to the exemption that do not conflict with the requirements of sections 1 to 5 of this 2019 Act.

(5)(a) The adopting jurisdiction shall ask the governing bodies of other taxing districts with territory located within the boundaries of the city or county to agree to grant the exemption on the terms set forth in the ordinance or resolution.

(b) An ordinance or resolution adopted or amended pursuant to this section may not take effect unless the rates of taxation of the taxing districts whose governing bodies agree to grant the exemption, when combined with the rate of taxation of the adopting jurisdiction, equal 51 percent or more of the total combined rate of taxation on the qualified property.

(c) If the ordinance or resolution takes effect, the exemption shall apply to all property tax levies of all taxing districts in which qualified property is located.

(d) The decisions of the taxing districts under paragraph (b) of this subsection may not be changed but are not binding with respect to an ordinance or resolution amended pursuant to subsection (6) of this section or a subsequent ordinance or resolution adopted pursuant to subsection (1) of this section.

(6)(a) An adopting jurisdiction may at any time adopt an ordinance or resolution amending the terms of an exemption granted pursuant to this section, subject to subsection (5) of this section, or repealing the exemption.

(b) Notwithstanding an ordinance or resolution adopted under paragraph (a) of this subsection, qualified property that was granted an exemption prior to the adoption shall continue to receive the exemption for the number of property tax years for which the exemption was granted and under all other terms then in effect.

(7)(a) Eligible property that is receiving any other property tax exemption or special assessment may not be granted an exemption pursuant to this section.

(b) Paragraph (a) of this subsection does not apply to the homestead property tax deferral program under ORS 311.666 to 311.701.

**SECTION 3.** (1) For any property tax year, no more than 500 eligible properties statewide may be granted an exemption under an ordinance or resolution adopted pursuant to section 2 of this 2019 Act.

(2) On or before January 31 of each year, each adopting jurisdiction shall notify the Department of Revenue of an ordinance or resolution that was adopted, amended or repealed by the adopting jurisdiction pursuant to section 2 of this 2019 Act and that became effective on or before January 31.

(3)(a) On or before February 28 of each year, the department shall allocate the maximum number of eligible properties specified in subsection (1) of this section among all adopting jurisdictions in proportion to the relative populations of the adopting jurisdictions.

(b) The department shall notify each adopting jurisdiction of the maximum number of eligible properties that may be granted an exemption by the adopting jurisdiction.

(c) For each adopting jurisdiction, the maximum number includes both the number of qualified properties for the current property tax year and the number of eligible properties that may be granted an exemption for the next succeeding property tax year.

(4) If the number of qualified properties in an adopting jurisdiction exceeds the maximum number allowable after allocation under subsection (3) of this section:

(a) The qualified properties shall continue to receive the exemption for the number of property tax years for which the exemption was granted and under all other terms in effect when the exemption was granted; and

(b) The adopting jurisdiction may not grant another exemption until the total number of qualified properties in the adopting jurisdiction is less than the maximum number allocated to the adopting jurisdiction for the property tax year.

(5) The department may adopt rules to establish standards and procedures for administering this section.

**SECTION 4.** (1)(a) An adopting jurisdiction shall prescribe exemption application forms and the information required to be included in the application.

(b) If an eligible property is located in a city and county, each of which is an adopting jurisdiction, the applicant shall elect the exemption the applicant wishes to receive for the eligible property by submitting the application to the appropriate adopting jurisdiction.

(2) An application must be accompanied by the home share agreement entered into between the applicant and the home share seeker and an application fee fixed by the adopting jurisdiction in an amount estimated to compensate the adopting jurisdiction for the actual costs of processing the application.

(3)(a) An application must be submitted for review to the adopting jurisdiction on or before March 1 preceding the property tax year to which the application relates.

(b) Unless otherwise provided in the ordinance or resolution granting the exemption, if the ownership of the qualified property and the home share agreement included in the application for a prior year remain unchanged, a new application is not required.

(4) Within 60 days of receiving an application submitted pursuant to subsection (3) of this section, the adopting jurisdiction shall determine whether the property to which the appli-

cation relates is eligible property located within the boundaries of the adopting jurisdiction and whether the application complies with the adopting jurisdiction's ordinance or resolution and sections 1 to 5 of this 2019 Act.

(5)(a) If the adopting jurisdiction determines that the property or application does not meet all the requirements described in subsection (4) of this section, the application shall be rejected and the applicant shall be notified of the decision and the reasons for the decision.

(b) The rejection of an application:

(A) May not be appealed.

(B) Does not preclude the applicant from submitting a new application for the property for any property tax year.

(6)(a) Except as provided in paragraph (b) of this subsection, if the adopting jurisdiction determines that the property and application meet all the requirements described in subsection (4) of this section, the adopting jurisdiction shall approve the application.

(b) If the number of valid applications exceeds the maximum number allocated to the adopting jurisdiction under section 3 of this 2019 Act, applications shall be approved in chronological order by date of submission.

(7) Not later than July 15 of each year, an adopting jurisdiction shall notify:

(a) The assessor of the county in which qualified property is located of:

(A) All eligible properties approved for the exemption since July 15 of the previous year;

(B) All qualified properties disqualified from the exemption since July 15 of the previous year;

(C) The home share provider's name, the street address and the assessor's property account number for all properties described in subparagraphs (A) and (B) of this paragraph;

(D) The amount to be subtracted from the assessed value of each qualified property for the property tax year in accordance with section 2 (2) of this 2019 Act; and

(E) Any other information necessary for the assessor to perform the assessor's duties with respect to the qualified property; and

(b) The Department of Revenue of the total number of qualified properties in the adopting jurisdiction for the property tax year.

**SECTION 5.** (1) An adopting jurisdiction shall oversee and audit any home share program operating within the boundaries of the adopting jurisdiction.

(2) The adopting jurisdiction shall immediately disqualify property from an exemption granted under an ordinance or resolution adopted pursuant to section 2 of this 2019 Act if:

(a) In any year through the final assessment year of the exemption, the qualified property is not used for the purpose identified in the application approved under section 4 of this 2019 Act; or

(b) The applicant fails to comply with any requirement established by the adopting jurisdiction in the ordinance or resolution adopted pursuant to section 2 of this 2019 Act.

(3) Upon disqualification, the property shall be assessed and taxed in the same manner as other real property is assessed and taxed.

(4) Notwithstanding subsection (2) of this section, if a qualified property would otherwise be disqualified by reason of a breach of the home share agreement for which the home share provider is not at fault:

(a) The breached home share agreement shall be considered void; and

(b) The qualified property shall continue to receive the exemption for the number of property tax years for which the exemption was granted and under all other terms in effect when the exemption was granted if, within the period established by the adopting jurisdiction under section 2 (3)(e) of this 2019 Act, the home share provider enters into a home share agreement with one or more home share seekers and the application for the new home share agreement is approved under section 4 of this 2019 Act.

(5) The Department of Revenue may adopt rules to establish standards and procedures for administering this section.

**SECTION 6.** (1) Sections 1 to 5 of this 2019 Act apply to property tax years beginning on or after July 1, 2020, and before July 1, 2028.

(2) The governing body of a city or county may not adopt an ordinance or resolution pursuant to section 2 of this 2019 Act that becomes effective after January 31, 2027.

**SECTION 7.** (1) Sections 1 to 5 of this 2019 Act are repealed on January 2, 2029.

(2) Notwithstanding the date specified in subsection (1) of this section, qualified property granted an exemption under an ordinance or resolution adopted pursuant to section 2 of this 2019 Act before the date specified in subsection (1) of this section shall continue to receive the exemption on and after the date specified in subsection (1) of this section if the term of the exemption adopted under the ordinance or resolution extends past that date.

**SECTION 8.** This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.

Passed by Senate May 16, 2019

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House June 20, 2019

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Tina Kotek, Speaker of House

Received by Governor:

.....M.,....., 2019

Approved:

.....M.,....., 2019

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2019

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Bev Clarno, Secretary of State