

Multi-Unit Rental Housing (Low Income Housing) Special Assessment Application and Election

ORS 308.701 to 308.724

Instructions:

- File this statement with the assessor in the county where your property is located on or before April 1.
- If filed after April 1 but by December 31, a late filing fee is required.
- A separate application is required for each qualifying property.
- Include all account numbers for qualifying property.

For assessor's use only		
Date received	Received by	<input type="checkbox"/> Approved
Assessor's account number		<input type="checkbox"/> Denied
Briefly explain reason for denial		

Application form

Name of property owner		Telephone number ()	
Mailing address		City	State
Contact person	Title	Telephone number ()	
Mailing address		City	State
			ZIP code

Qualifying property

Street address		City	County	State	ZIP code
Account number(s)		Date that government restriction expires			

Does the account(s) listed above include any property that is not government restricted multi-unit rental housing?

Yes No If yes, please describe _____

Type of program (check all that apply):

- | | |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <input type="checkbox"/> Low income housing tax credit under IRC, Section 42. | <input type="checkbox"/> Low interest loans under 42 U.S.C. 1485. |
| <input type="checkbox"/> Financing derived from exempt facility bonds, IRC, Section 142. | <input type="checkbox"/> Rural development 515 multifamily loan. |
| <input type="checkbox"/> Financing derived from 501(c)(3) non-hospital bonds. | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Low interest loans under Section 235 or Section 236 of national housing act. _____ | |

You must attach documentation, for example—deed declaration, restriction covenant, contractual agreement, etc.

Election of method of assessment

(Check the appropriate box.)

- | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> I elect to have my specially assessed value (SAV) determined through an income approach method using actual income and stabilized expenses. (Attach three years of operating statements and the rent roll for December of last year, or a pro forma for a newly constructed property.) |
| <input type="checkbox"/> I elect to have my SAV determined through a ratio method using a ratio of restricted rents to market rents. (Attach the rent roll for December of last year.) |

For more detailed information regarding the two approaches, please refer to Oregon Administrative Rule 150-308.712.

Briefly explain any special circumstances that might affect the valuation of your property:

Declaration

I declare under penalties of false swearing [ORS 305.990(4)] that I have examined this document and attachments, and to the best of my knowledge they are true, correct, and complete. If any information changes, I will notify the county assessor and submit appropriate written amendments.

Name (please print or type)	Title
Signature X	Date

Oregon Revised Statutes

308.701 Definitions for ORS 308.701 to 308.724.

As used in ORS 308.701 to 308.724:

(1) "Government restriction on use" means a restriction that limits the use of multiunit rental housing to qualified income rental housing in order to receive a government incentive, including but not limited to the following government incentives:

(a) A low income housing tax credit under section 42 of the Internal Revenue Code;

(b) Financing derived from exempt facility bonds for qualified residential rental projects under section 142 of the Internal Revenue Code;

(c) A low interest loan under section 235 or 236 of the National Housing Act (12 U.S.C. 1715z or 1715z-1) or under 42 U.S.C. 1485;

(d) A government rent subsidy; and

(e) A government guaranteed loan.

(2) "Multiunit rental housing":

(a) Means residential property consisting of four or more dwelling units; and

(b) Does not include assisted living facilities. [2001 c.605 §2]

308.704 Option of owner to choose special assessment. An owner of multiunit rental housing that is subject to a government restriction on use may choose, at the discretion of the owner, to have the multiunit rental housing assessed under the special assessment provided in ORS 308.707 or may choose to have the multi-unit rental housing assessed under the ordinary methods of assessing property in this state. Multiunit rental housing that is subject to a government restriction on use is not required to be assessed under the special assessment provided in ORS 308.707. [2001 c.605 §3]

308.707 Valuation of multiunit rental property subject to special assessment. (1) The specially assessed value, maximum assessed value and assessed value of multiunit rental housing shall be determined under this section if:

(a) The property is subject to a government restriction on use; and

(b) The owner of the property has filed an application for special assessment under ORS 308.709 and that application has been approved.

(2) The specially assessed value of property assessed under this section shall be determined in the manner elected by the property owner under ORS 308.712.

(3)(a) For the first tax year for which property is assessed under this section, the maximum assessed value of property subject to special assessment under this section shall equal the product of the specially assessed value of the property under subsection (2) of this section multiplied by the ratio, not greater than 1.00, of the average maximum assessed value to the average real market value of property in the same area and property class as the specially assessed property.

(b) For each tax year after the first tax year in which the property is assessed under this section and prior to any disqualification from special assessment, the maximum assessed value of property assessed under this section shall equal 103 percent of the property's assessed value from the prior year or 100 percent of the property's maximum assessed value from the prior year, whichever is greater.

(c) If omitted property is added to the property assessed under this section or a lot line adjustment is made to property assessed under this section, the maximum assessed value of property subject to special assessment under this section shall be determined as prescribed in ORS 308.149 to 308.166, substituting the specially assessed value under subsection (2) of this section for real market value.

(4) The assessed value of property subject to special assessment under this section shall equal the lowest of:

(a) The specially assessed value of the property determined under subsection (2) of this section;

(b) The maximum assessed value of the property determined under subsection (3) of this section; or

(c) The real market value of the property.

(5) For each tax year following the first tax year in which property is subject to special assessment under this section, the owner of the multiunit rental housing must comply with any requirements prescribed by the Department of Revenue by rule for the continued special assessment of the property under this section.

(6) The definitions in ORS 308.149 apply to this section. [2001 c.605 §4]

308.709 Application procedure; due dates; late filing; fee; assessor determination; appeals. (1) An owner of multiunit rental housing seeking to have the property assessed under ORS 308.707 must file a written application under this section.

(2) Except as provided in subsection (3) of this section, an application, and an election form as described in ORS 308.712, must be filed with the county assessor on

or before April 1 preceding the first tax year for which special assessment under ORS 308.707 is sought.

(3) An application and election form may be filed after April 1 and on or before December 31 of the first tax year for which special assessment under ORS 308.707 is sought, if the application and election form are accompanied by a late filing fee equal to the greater of \$200 or one-tenth of one percent of the real market value of the property to which the application relates, as of the assessment date for that tax year.

(4) The application must be in the form and contain the information prescribed by the Department of Revenue, including:

(a) The name and address of the property owner;

(b) The address and tax lot or account number of the multiunit rental housing;

(c) A description and documentation of the government restriction on use to which the multiunit rental housing is subject, including but not limited to a deed declaration, restrictive covenant, contractual agreement or other legally binding government restriction on use; and

(d) The anticipated duration of the government restriction on use.

(5) A completed election form under ORS 308.712, and an accompanying income and expense statement (if available), must be submitted simultaneously with an application filed under this section and is considered to be a part of the application. The election shall apply to each tax year for which the property is subject to special assessment under ORS 308.707, unless the owner changes the election as described in ORS 308.712(2).

(6) The county assessor shall review the application. If the assessor determines that the property consists of multiunit rental housing that is subject to a government restriction on use, the assessor shall approve the application. Approval of the application shall result in the property to which the application relates being qualified to be assessed under ORS 308.707.

(7) The county assessor shall notify the applicant in writing of the assessor's determination within 120 days following the date the application was filed with the assessor.

(8) An applicant may appeal the determination of the county assessor as provided in ORS 305.275. [2001 c.605 §5]

308.712 Methods to determine specially assessed value; election by owner; procedure; rules; fee. (1) The owner of multiunit rental housing that is subject to a government restriction on use and that is to be assessed under ORS 308.707 must elect the method by which the

specially assessed value of the property is to be determined. The property owner must elect one of the following methods to determine the specially assessed value of the property:

(a) Through an annual net operating income approach to value that uses actual income and stabilized operating expenses that are based on the actual history of the property (if available) and a capitalization rate. The income, expenses and capitalization rate used must be consistent with the Uniform Standards of Professional Appraisal Practice and may be further defined by rules adopted by the Department of Revenue. Factors to be considered in setting a capitalization rate include the risks associated with multiunit rental housing subject to a government restriction on use, including but not limited to diminished ownership control, income generating potential and liquidity. The capitalization rate that is set pursuant to this paragraph must be equal to or greater than the capitalization rate used for valuing multiunit rental housing that is not subject to a government restriction on use;

(b) By adjusting the unrestricted market value of the property being specially assessed, computed without regard to any government restriction on use applicable to the property, based on the ratio of the average annual rent of those dwelling units of the property that are subject to a government restriction on use to the average annual rent of comparable multiunit rental housing that is not subject to a government restriction on use; or

(c) Through an alternate method for determining the specially assessed value of multiunit rental housing that is subject to a government restriction on use that may be adopted by the department by rule.

(2)(a) An election under this section must be made at the time an application for special assessment is filed under ORS 308.709, and is considered to be a part of the application.

(b) A property owner may change the election the owner previously made. Except as provided in subsection (3) of this section, a new election under this section must be made on or before April 1 preceding the tax year for which the new election applies. The election shall be made in writing to the county assessor of the county in which the property is located, in the form prescribed by the department.

(c) The election form must be accompanied by a written statement of the actual income and stabilized operating expenses of the property, as described in subsection (1)(a) of this section.

(3) A change in election may be made after April 1 and on or before December 31 of the tax year, if the election form is accompanied by a late filing fee equal to

the greater of \$200 or one-tenth of one percent of the real market value of the property to which the election relates, as of the assessment date for that tax year. [2001 c.605 §6]

308.714 Disqualification; notification requirements; penalties; rules; reapplication; new property or new improvements. (1) An owner of property assessed under ORS 308.707 must notify the county assessor if:

(a) The property is no longer multiunit rental housing that is subject to a government restriction on use;

(b) New property is constructed at the location of the multiunit rental housing, or new improvements are made to the multiunit rental housing;

(c) An event described in ORS 308.146(3)(b) or (c) occurs with respect to the multiunit rental housing; or

(d) The owner chooses not to have the property assessed under ORS 308.707.

(2) The notification must be made within 60 days following the date on which the circumstance described in subsection (1) of this section occurred.

(3) The notification must be made in writing and must indicate the date on which the circumstance described in subsection (1) of this section occurred.

(4) The Department of Revenue may by rule prescribe penalties to be imposed on a property owner if notification is not made as required by subsections (1) to (3) of this section.

(5)(a) Property shall be disqualified from special assessment under ORS 308.707 as of the tax year immediately following any change, event or choice described in subsection (1)(a), (c) or (d) of this section.

(b) Following disqualification for any change or event described in subsection (1)(a) or (c) of this section, a property owner may apply for special assessment pursuant to ORS 308.709.

(c) Following disqualification for a choice described in subsection (1)(d) of this section, a property owner may reapply only once for special assessment pursuant to ORS 308.709 within the 10-year period following the year in which the property was first qualified for special assessment. An owner may not reapply for special assessment pursuant to ORS 308.709 after the end of that 10-year period.

(6) New property constructed at the location of the multiunit rental housing or new improvements made to the multiunit rental housing may qualify for special assessment under ORS 308.707 only if the property owner files an application under ORS 308.709 in the time and manner prescribed by ORS 308.709. Notwithstanding ORS 308.712, the new property or new improvements, if otherwise qualified for special assessment, must be specially assessed using the method elected by the property owner for the existing multiunit rental housing.

(7) As used in this section, "new property or new improvements" has the meaning given that term in ORS 308.149. [2001 c.605 §7]

308.724 Rules. The Department of Revenue shall prescribe rules implementing the provisions of ORS 308.712(1)(a). The department may prescribe any other rules necessary to administer the provisions of ORS 308.701 to 308.724, including rules establishing one or more alternative methods for determining the specially assessed value of multiunit rental housing under ORS 308.712(1)(c). [2001 c.605 §9]