Purpose

Chapter 466, Oregon Laws 2021 provides a property tax exemption for land owned by an eligible covenant holder that is burdened by an affordable housing covenant, requiring permanent affordability if improvements on the land constitute owner-occupied housing. It provides a property tax exemption of 27 percent of assessed value of an owner-occupied condominium unit burdened by affordable housing covenant, requiring permanent affordability.

Instructions

Part A–Application for exemption

This property tax exemption is not “automatic.” An application must be made annually for each eligible year claimed.

Indicate the tax year you are applying for. If this is the first time you are applying for this exemption, check “Yes.” If you have applied to this exemption before, check “No” and indicate the last tax year that you applied for this exemption.

Part B–Property description

Provide the property tax account number as shown on the most recent tax statement for the property being claimed. If you do not know the account number, the county assessor’s office can provide that information.

Indicate if the exemption application is being made on land or a condominium.

Taxpayers applying for exemptions of land must also complete Parts C & D. Taxpayers applying for exemption of their condominium must complete Part E.

Part C–Land

Complete this section if you are an eligible covenant holder that owns land burdened by an affordable housing covenant.

To qualify for the exemption, land must include an improvement that is used as owner-occupied housing.

Land may also qualify if it is being held for a reasonable period for the construction of owner-occupied housing, the owner-occupied housing is unoccupied while being held for sale, or the owner is required to be absent from the owner-occupied housing on the land by reason of health or active military service.

Include any supporting documentation necessary to validate the information provided, such as the sale listing for the property, or military orders.

Part D–Owner-occupier and use information of land

Provide the name of the owner-occupier of the improvements on the land. Include a copy of the lease agreement for the land.

If the property is vacant, indicate why, including the amount of time the property has been vacant. Additional information such as a copy of military orders, real estate listing, or other proof may be required to validate the claim.

Part E–Condominium units

Complete this section if you are the owner-occupier of a condominium unit burdened by an affordable housing covenant. Property may continue to qualify for exemption if vacant for a reasonable period under an allowed condition, such as, absence for health or military service, renovation requiring absence, or the unit is being held for sale. Additional documentation or proof may be required to validate the claim.

Part F–Covenant information

To qualify, the property must be subject to an affordable housing covenant as defined in ORS 456.270 for a period of not less than 99 years. A copy of the covenant must be included with the application.

Part G–Late filing information

ORS 307.162 provides for late filing as follows:

1. If you are filing before April 1 of the current tax year, for the current tax year only, and you are a first-time filer, have good and sufficient cause for filing late, or are a government entity described in ORS 307.090, the late filing fee is $200.00.

2. For all others, if you are filing before December 31 for the current tax year, the late filing fee is $200.00 or one-tenth of one percent of the real market value of the property, whichever is greater.

3. If you are filing for the current tax year and up to five prior tax years and you are a first-time filer, have good and sufficient cause for filing late, or are a government entity described in ORS 307.090, and are either filing within 60 days of the mailing date of a notice of additional tax or are filing at any time if no notice was mailed, then the late filing fee is the greater of $200.00 or one-tenth of one percent of the real market value as of the most recent assessment date, multiplied by the number of prior years claimed.
Part H–Declaration

The application must be signed. In the case of land, the signer must be the president, proper official, or authorized delegate of the organization that owns the property and affordable housing covenant.

For condominium units the application should be signed by the owner-occupier applying for exemption.

Do you have questions or need help?

www.oregon.gov/dor
503-378-4988 or 800-356-4222
questions.dor@dor.oregon.gov

Contact us for ADA accommodations or assistance in other languages.