

Instructions and Application For Property Tax Exemption
Low-Income Housing Held By
Charitable, Nonprofit Organizations*

*Implementing provisions of ORS 307.540 - 548

Instructions and Application For Property Tax Exemption For Very Low-Income Housing Held By Charitable, Nonprofit Organizations

What is it?

The 1985 Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations.¹ The tax exemption is intended to benefit low-income renters and is available for qualifying property located in some parts of Washington County.

Who is eligible?

- Charitable, nonprofit organizations that provide housing to low-income persons² are eligible.
- The organization must be certified by the Internal Revenue Services as 501(c)(3) or (4) (ORS 307.180).
- Organizations must own or have a leasehold interest in the property. In addition, your nonprofit organization can qualify if it participates as the general partner in a limited partnership who owns the property, so long as the nonprofit organization is responsible for the day-to-day management of the property. In this case, the limited partnership must be listed as the owner.
- The site must be occupiable during the upcoming tax year by income-eligible households, although vacant land intended to be developed as low-income housing is eligible for the exemption provided under this program.
- Applicants who are leaseholders must have a signed leasehold agreement by the March 1 application deadline. *Applicants may also apply for the exemption for properties expected to be acquired after March 1 and before July 1 of the tax year but the application form must be submitted within 30 days of property acquisition.*

What property is eligible?

Only the residential portion of property that is used to house low income people or property that is being held for future development as low income housing. For example, the commercial space in a mixed-use building would not be eligible for the exemption. Application for the exemption must be made annually. **Complete and accurate applications for exemption must be received by March 1 each year.**

Property may only be exempted from the taxes levied by a governing body with legislative authority (City or County) or by that governing body and other taxing districts who have approved the exemption where their combined assessments exceed 51% of the total assessments levied against the property

Please check to see that your properties are located within the jurisdiction of a participating governing body. The most recent property tax statement for the property should include a list of taxing jurisdictions and districts that have levied against the property.

¹ SB 503, Chapter 660 Oregon Laws 1985 and Chapter 108 Oregon Laws 1993 amending Oregon Revised Statutes 307.540 - 548.

² "Low-income persons" are individuals earning 60% or less of the area median income. See Income Eligibility Schedule (Attachment A) [U.S.C. Section 1437 (a)(b)(2)].

The application for tax exemption is for property that is, or will be, owned or leased from July 1 through June 30 of the year for which the tax exemption is requested. **If the property changes ownership between July 1 and June 30 of the year for which the tax exemption is requested, please notify the Washington County Department of Assessment & Taxation of the change in the status so that the continuing eligibility of the property can be evaluated.**

Who administers the program?

The Washington County Departments of Housing Services and Assessment and Taxation administer this program. Please contact Exemptions at 503-846-8741 with questions.

How to apply?

Submit a **complete** and **accurate** application which includes **all** the following information:

1. Complete Sections A and E for your **organization**. Complete Sections B, C, and D for **each property** for which a property tax exemption is being requested.
2. All applications must be signed and **notarized** - Notarization (Section E) is required only for each organization and application, *not each property*.
3. **New applications must include a copy of IRS 501(c)(3) or (4) letter** certifying your organization's eligible charitable nonprofit status. **If your nonprofit organization is a general partner in a limited partnership who owns the property, the nonprofit organization must be responsible for the day-to-day management of the property. In this case, the limited partnership must be listed as the owner.**
4. **An application fee is required for each organization**, not each property. Attach a check or money order payable to Washington County in the amount of \$250 for new applications and \$50 for renewal applications. Applicants who apply for exemption(s) by the March 1 deadline do not need to pay an additional fee to apply for exemption for property acquired before the July 1 purchase deadline.
5. **Applications must be received at the Washington County Department of Assessment & Taxation no later than March 1. Postmarks are not sufficient—applications sent by mail must be received by March 1. Applications received after March 1 will not be accepted, and exceptions will not be granted.** Submit applications to the address below:

Washington County Assessment and Taxation
Attn: Exemptions
155 North First Avenue, Suite 230
Hillsboro, OR 97124-3082

If you have questions about the application, please contact Exemptions at 503-846-8826.

Attachment A

2023 Income Eligibility Schedule

The following income eligibility schedule is to be used in determining the amount of eligible property. Only units which are intended for occupancy by households with incomes at or below these income guidelines are eligible for the exemption.

Household Size	Household Income Not to Exceed ¹ 60% MFI
1	\$44,760
2	\$51,120
3	\$57,540
4	\$63,900
5	\$69,060
6	\$74,160

Note: Unoccupied housing units at the time of application may be included in the total eligible units if the applicant meets the following conditions:

- A. The units will be available exclusively to eligible low-income persons.
- B. The units are intended to be occupied within the year.
- C. **The applicant must provide a written statement to the effect of A and B above and attach it to the application.**

¹ The schedule is based on 60% of the 2022 Portland-Vancouver-Hillsboro MSA Median Income (\$106,500 for a family of 4), adjusted for household size, as determined by the U.S. Department of Housing and Urban Development

Application

Property Tax Exemption For Low-Income Housing Held By Charitable, Nonprofit Organizations

(Implementing Provisions of ORS 307.540 - 548)

(For Office Use Only)

_____, Washington County, Oregon \$250 Application Fee \$ _____

Date Received _____ \$50 Renewal Fee \$ _____

Receipt No. _____

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Section A - Applicant Information

Corporate Name: _____

Address: _____

Telephone Number: _____ / _____
Business Alternate Phone

Email Address: _____

Chief Executive Officer: _____

Contact Person: _____

Section B - Property To Be Considered for Exemption

(Sections B, C, and D must be filled out for each project/property for which you are requesting a tax exemption)

Owner of record: _____

Property Address: _____
(Physical address of the property for which you are seeking an exemption)

Property Tax Account Number(s): **R** _____

Tax Lot ID(s): _____

(Be sure to identify *all* account numbers for both land and improvements on the property for which you are requesting tax exemption; in some cases, land and improvements may have separate account numbers. The Property Tax Account Number(s) and the Tax Lot Account Number(s) should be on your property tax statements.)

Total Number of Residential Units in Building(s): _____

Number of Residential Units Occupied by Very Low-income People: _____

Total Square Feet in Building(s): _____

Total Square Feet of Residential and Residential Common Area:¹ _____

¹ This includes halls, baths, dining, and other space dedicated to residential use. Retail uses and other accessory uses not related to residential use are not to be counted.

Section C - Eligible Property

Do you own the property in question? Yes No

If you do not own the property, do you have leasehold interest in the property?

Yes No

If you have an ownership interest in the property, but your organization is not the record owner, describe your interest in the property. NOTE: Your nonprofit organization *must* be responsible for day-to-day operations in order to be eligible for exemption under this program. *Include that information in your description.*

If you have a leasehold interest, describe your interest and include a statement describing how, as the nonprofit organization, you are obligated under the terms of the lease to pay the ad valorem taxes on this property or other contractual arrangement such that the property tax exemption benefits accrue to the nonprofit agency and the residential tenants rather than the owner or corporation from whom you lease.

If the property is being held for future low income housing development, describe the future development (number of units, units broken out by # of bedrooms, amenities available, etc) and the income level(s) that will be served by the future development.

Section D - Description of Charitable Purpose/Project Benefit
(Use for multiple projects if same conditions apply)

Briefly describe your organization's charitable purpose:

- **Is all or a portion of the property is being used for the charitable purpose?**

All Portion

If a portion, approximately what percentage of the property? _____

Will the cost savings resulting from the proposed tax exemption enable you to do the following:

- **Reduce the rents that your very low-income residential tenants pay on the property in question? Yes No**

If so, by approximately how much? _____

- **Provide greater services to your very low-income residential tenants?**

Yes No

If yes, in what way(s)?

- **Provide any other benefit to your very low-income residential tenants?**

Yes No

If yes, please explain.

If you lease the property identified in this application, please explain to what extent your lease agreement coincides with the timeframe of the qualifying tax year:

Section E - Declarations

(Please read carefully and sign below before a notary)

1. I have attached to this application the IRS declaration of the status of applicant as a tax-exempt corporation under 26 U.S.C. Section 501 (c)(3) or (4).
2. I am aware that the income-qualifying tenants must meet the income guidelines in accordance with 42 U.S.C. Section 1437 (a)(b)(2) as amended. (See Attachment A, Income Eligibility Schedule.) Tenant incomes do not exceed these limitations as I verily believe.
3. I am aware of all requirements for tax exemption imposed by ORS 307.540 -307.548 (Chapter 660 Oregon Laws 1985, as amended by Chapter 756 Oregon Laws 1987).
4. The above-described property(ies) qualifies(y), or will qualify upon completion of any rehabilitation improvements and subsequent occupancy by very low-income residents, for property tax exemption within 30 days of the March 1 application or the date of approval.
5. All the information in this application is true to the best of my belief and knowledge and is for the purpose of determining eligibility for the tax exemption program authorized by ORS 307.540 -307.548.

By:

Agency Chief Executive Officer (Signature)

Agency Chief Executive Officer (Print or Type)

For:

Corporate Name (Print or Type)

SUBSCRIBED AND SWORN to before me this ____ day of _____,

Notary Public for Oregon (Signature)

Notary Public for Oregon (Print or Type Name)

My Commission Expires _____