

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	HB 2793-A
Revenue Area:	Property Tax
Economist:	Mary Ayala
Date:	5/9/2007

Measure Description: Exempts tangible or intangible property, property rights or property interests of Oregon utilities in or related to electric utility lines and referenced in certain agreements. Applies to tax years beginning on or after July 1, 2007. Takes effect 91 days after sine die.

Revenue Impact:

\$	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund				
State Other Funds				
Local Government	-38,581	-40,510	-79,091	-87,198
Local School Districts	-27,938	-29,335	-57,273	-63,144

Impact Explanation:

DATA:

One in-state electric cooperative is eligible currently for the proposed exemption. The company's FY0607 tax liability for property related to the Pacific NW Intertie was less than \$65,000, reflecting a 7% growth rate over the previous fiscal year. The taxes divided by the assessed value of the taxed property implies a tax rate of \$11.5/\$1,000AV.

ASSUMPTIONS:

1. Additional in-state companies will not apply for this exemption over the forecast period.
2. The taxable value of the company that qualifies currently for the proposed exemption will increase annually over the forecast period by 5% per year.
3. A tax rate of \$1,000 AV is \$11.5/\$1,000AV remains unchanged over the forecast period.

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