

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB 416-A
Revenue Area:	Property Tax
Economist:	Mary Ayala
Date:	March 22, 2007

Measure Description

Limits historical property special assessments to one 15-year term prospectively for all types of property unless a second 15 year term is approved by the local governing authority. Permits completion of the second 15-year term of special assessment. Requires that an application for special assessment include a preservation plan that must have a schedule for completing substantial work to the exterior of the building within the first 5 years of special assessment. Creates a Task Force on Historic Property to conduct a comprehensive review of the special assessment of the historic properties program. Requires Task Force to report to the Governor prior to October 1, 2008. Effective 91 days after sine die.

Revenue Impact:

\$ millions	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund	0	0	0	0
State Other Funds	0	0	0	0
Local Government	+\$\$.41	+ \$.83	+\$1.24	+\$1.30
Local School Districts	+\$\$.29	+\$\$.58	+\$\$.86	\$.91

Impact Explanation:

Data:

- The FY0709 current expenditure for exemption is \$29 million.
- Roughly 75% of the 2,400 historically designated properties will be eligible to apply for a second 15 year exemption at some time in the future.
- 35% of the value of the exemptions pertains to residential property.
(Source: The FY0709 Tax Expenditure Report , Department of Revenue, pp. 290-291).
- Since FY0506, only 17 cities and 2 counties have approved the second 15 year exemption for residential properties. (Source :Oregon Parks and Recreation Dept.)

Assumptions:

- 5% of the taxable amount attached to the residential exemptions will be approved for a second 15 year term, spread out over the next 10 years.
- 50% of the taxable amount that pertains to commercial exemptions will be approved for a second 15 year term, spread out over the next 10 years.

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