

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB 514-A
Revenue Area:	Property
Economist:	Mary Ayala
Date:	5/2/2007

Measure Description: Establishes a property tax special assessment program for land subject to conservation easements. Allows land currently subject to farm use or forest use special assessment to be transferred to a conservation special assessment without paying additional tax. Permits owner or other qualified person to withdraw application within 30 days of applying for a change in classification from conservation easement or a wildlife habitat easement. Requires a \$250 application fee for the conservation easement special assessment; and the fees are credited to the county's general fund in which the specially assessed property is located. Applies to tax years beginning on or after July 1, 2008. Takes effect upon becoming law.

Revenue Impact:

\$	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund				
State Other Funds				
Local Government	0	-26,535	-26,535	-56,300
Local School Districts	0	-19,215	-19,215	-40,777

Impact Explanation: The Department of Revenue estimates that there are 15.5 million acres of designated land subject to farm use in FY0506. The estimated FY0507 revenue loss of the special assessment is \$183 million (source: The 2007-09 Tax Expenditure Report)..

Assumptions:

1. One tenth of a percent (.1%) of \$183 million associated with 15.5 million acres of land subject to farmland special assessment will be designated as conservation easements in FY0709.
2. Only fifty percent (50%) of this \$183,000 will pertain to easements that will preclude the land from farm use. Under current law, if the portion of a parcel has a conservation easement and it can continue to be farmed, the portion of the property that has the easement does not lose its farmland special assessment designation.

State Capitol Building
900 Court St NE, Room H-197
Salem, OR 97301-1347

Phone: 503-986-1266
Fax: 503-986-1770
<http://www.leg.state.or.us>