

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB 623-A
Revenue Area:	Property
Economist:	Mary Ayala
Date:	5/2/2007

Measure Description: Exempts dwelling, and lot on which the dwelling is located, that a religious organization provides to its spiritual leader. Does not provide exemption if occupant receives pay for use of property, unless pay is for foster care provided in dwelling. Effective on of after July 1, 2008.

Revenue Impact:

\$millions	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund				
State Other Funds				
Local Government	0	-\$1.3	-\$1.3	-\$2.73
Local School Districts	0	-\$0.94	-\$0.94	-\$1.98

Impact Explanation:

Data: a sample of 14 counties that responded to a D.O.R. survey.

Assumptions:

- 60% of an estimated 5,046 churches in Oregon have parsonages that are used for one purpose or another.
- 7% of the parsonages are currently exempt.

These assumptions imply that an estimated 2,340 parsonages could become exempt if they are used exclusively by a church's spiritual leader and/or used for foster care.

- If SB623 becomes law, 50% will continue to be used for other purposes.
(i.e., 1,170 parsonages will become exempt that are currently subject to tax).

- The statewide average assessed value (AV) of a parsonage is \$128,000 in FY0708 and increases annually by 3%. The number of parsonages remains constant over the forecast period.

Based on a \$15.4 rate per \$1,000 AV, the estimated annual revenue loss is -\$2.24 million in FY0809 and -\$4.71 million for BN0911.

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