

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB 777-A
Revenue Area:	Property Taxes
Economist:	Mary Ayala
Date:	April 16, 2007

Measure Description: Extends sunset date for a 10 year partial exemption from property taxes for the rehabilitation of housing or the conversion of buildings to housing. The proposed sunset date is 2017. Provides that rehabilitation improvements must be executed within 2 years of initial application. Takes effect upon becoming law.

Revenue Impact:

	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	0	-\$29,205	-\$29,205	-\$155,513
Local School Districts	0	-\$20,295	-\$20,257	-\$108,069

Impact Explanation: The estimated BN0709 expenditure for this partial exemption is \$900,000, based on the assumption that the sunset date will be extended (Source: 2007-09 Tax Expenditure Report, DOR). Assume 10% of the value of partially exempt property completes a 10 year period of special assessment every year. Assume that this value is replaced annually by new applications of slightly higher value. That is, no major change in the historical pattern of property valuation subject to special assessment is anticipated. Assume that all of the property owners complete their rehabilitation within 6 months to 1 year after they have filed their initial applications for special assessment. The current sunset date January 1, 2008, eliminates the new applications from the special rehabilitation assessment for 2008-09 and 2009-11.

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