

# REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly  
2007 Regular Session  
Legislative Revenue Office

<b>Bill Number:</b> SB 816
<b>Revenue Area:</b> Document Recording Fees
<b>Economist:</b> Mary Ayala
<b>Date:</b> March 28, 2007

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**Measure Description:** Permits tax-exempt entities to claim exemption for property held under sublease from an exempt owner.

## Revenue Impact:

\$	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund				
State Other Funds				
Local Government	-104,000	-115,808	-219,200	-239,200
Local School Districts	-81,900	-91,000	-172,800	-187,900

**Impact Explanation:** Three major counties reported the taxes that were collected from property owners who subleased buildings to exempt entities in 2006. The real market value of all property in the 3 counties, relative to the state in FY0506, is the basis upon which the taxes collected by the 3 counties have been factored up to the statewide revenue impact estimates for BN0709 and BN0911. The assessors do not monitor whether the denials are based on the fact that property has been subleased to an exempt property by a taxable entity or by an exempt entity. Therefore, for simplicity, the revenue estimates assume that 50% of the denials are attributable to taxable entities that subleased their property to exempt entities. The estimates from the counties do not reflect the number of 'unclaimed' applications for exemption from owners of properties that are taxable or exempt.

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