

75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE

MEASURE: SB 589 A
CARRIER: Rep. Riley

REVENUE: Revenue Impact Issued

FISCAL: No Fiscal Impact

Action: Do Pass

Vote: 10-0-0

Yeas: Bailey, Bentz, Berger, Bruun, Gelser, Kahl, Read, Riley, Sprenger, Barnhart

Nays: 0

Exc.: 0

Prepared By: Dae Baek, Economist

Meeting Dates: 5/18

WHAT THE BILL DOES: Repeals five-year time limit for exemption from property taxation of Indian tribal land if acquisition of the land by the United States in trust status (or fee-to-trust conversion) has been requested or is in process. Repeals sunset of such exemption for property tax years beginning on or after July 1, 2012. Applies to property tax years beginning on or after July 1, 2008.

ISSUES DISCUSSED:

- Details of fee-to-trust conversion process
- Reasons for delay in fee-to-trust conversion process
- Scope of land for fee-to-trust conversion
- Disqualification from exemption

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: Land acquired by an Indian tribe is exempt from property tax if the land is within the ancient tribal boundaries of the tribe and is in the process of being placed in U.S. trust (ORS 307.181). The current exemption continues until the land is placed in trust, up to a maximum of five years. The exemption sunsets on June 30, 2012.

According to Tax Expenditure Report 2009-11 by Department of Administrative Services and Department of Revenue, tax expenditure for FY 2009-11 related to this exemption is expected to be \$500,000.