

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
75th Oregon Legislative Assembly
2010 Special Session
Legislative Revenue Office

Bill Number: HB 3612 A
Revenue Area: Property Tax
Economist: Dae Baek
Date: Feb. 15, 2010

Measure Description: Allows payment of additional property taxes one tax year at a time when property taxes are added to an assessment or tax roll due to correction of error in prior tax years. Allows payment in chronological order with the additional taxes for the earliest tax year added to the tax year following the tax year in which correction is made. Allows prepayment. Applies to roll corrections made on or after the effective date of this bill. Takes effect on the 91st day after adjournment sine die.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
Local Government	\$0.00	\$0.00	\$0.00	-\$0.97	\$0.48
Local School Districts	\$0.00	\$0.00	\$0.00	-\$0.70	\$0.35
Total	\$0.00	\$0.00	\$0.00	-\$1.67	\$0.83

Impact Explanation: Currently when property taxes are added to an assessment or tax roll due to correction of error in prior tax years, all the additional taxes are to be paid in the tax year following the tax year in which the correction is made.

In 2007-09, roll corrections due to correction of error or omission averaged \$5 million a year. Due to random nature of occurrences in correction of error or omission, it is assumed that the half of the roll corrections come from correction of error. With HB 3612, payment will be spread out over up to six years with roughly 5/6 of reduction in corrected tax roll in the immediately following year after the correction. The following five years will see roughly 1/6 gain in the tax roll. On net, HB 3612 does not change tax obligations for the corrected rolls but changes the payment stream.

Creates, Extends, or Expands Tax Expenditure: Yes No