

**76TH OREGON LEGISLATIVE ASSEMBLY
2012 Regular Session
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 4041-2
CARRIER:**

REVENUE: Revenue Impact Statement Issued
FISCAL: May Have Fiscal Impact, Statement Not Yet Issued

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Christine Broniak, Economist

Meeting Dates: 2/6/2012

WHAT THE BILL DOES: Exempts from taxation property owned exclusively by eligible Indian tribe or by entity wholly owned by eligible Indian tribe if property is used exclusively for certain government services.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENTS: Removes the tax exemption for low income housing provided by tribal government.

BACKGROUND: Properties which provide tribal government services on Indian Reservations and Trust lands are already exempt from taxation. Occasionally, properties that provide these services will be off the reservation or trust lands and become taxable. This measure would extend property tax exemptions to buildings providing tribal government services.

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REVENUE IMPACT OF PROPOSED LEGISLATION

Seventy-Sixth Oregon Legislative Assembly
2012 Regular Session

Legislative Revenue Office

Bill Number:	HB 4041 - 2
Revenue Area:	Property Tax
Economist:	Christine Broniak
Date:	2-6-2012

Measure Description:

Exempts from taxation property owned exclusively by eligible Indian tribe or by entity wholly owned by eligible Indian tribe if property is used exclusively for certain government services. The -2 amendment excludes those properties provided for low income housing.

Revenue Impact (in \$Millions): Negative, but less than \$0.5 M annually to counties, local taxing districts, and schools. See below.

Impact Explanation: The measure, as amended, would exempt certain properties in use for tribal government from property tax if they are equivalent to services that a state and local government or the federal government would customarily provide its citizens. The properties affected include those used for administration, health facilities, education, transportation, fire, police, properties held for or rented to low income individuals, cemeteries, and limited utility services.

An exact accounting of all properties affected by this measure is not available. There are 6 tribes with property around the state that would be affected. A number of tribes have offices in major cities that would be affected by this measure including the Grande Ronde and Siletz tribes. The Siletz Tribe has three properties in Portland, Eugene, and Salem, with a tax liability of \$60,000. The Coquille have \$30,000 in administrative properties that would be exempt, and the Cow Creek Band of the Umpqua Tribe has \$60,000 in affected properties. The amendment does not include properties for low income individuals. The Confederated Tribes of Coos are considering low-income housing construction that would not be included in the exemption under this amendment.

Creates, Extends, or Expands Tax Expenditure: Yes No

The committee may state a policy purpose when the bill is heard. A suggested purpose would be to achieve parity between property tax paid by tribal and other governmental entities.