

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
**Seventy-Seventh Oregon Legislative  
Assembly**  
**2013 Regular Session**  
**Legislative Revenue Office**

**Bill Number: HB 2676**  
**Revenue Area: Property Tax**  
**Economist: Christine Broniak**  
**Date: 2/8/2013**

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

**Measure Description:** Eliminates sunset for mandatory cancellation of property tax assessment for manufactured structures with total value less than \$12,500 indexed annually in certain counties.

**Revenue Impact:**

	2013-15	2015-17	2017-19
Counties and Local Taxing Districts	-\$480,000	-\$1,003,632	-\$1,064,753
Schools	-\$320,000	-\$669,088	-\$709,835
<b>Total</b>	<b>-\$800,000</b>	<b>-\$1,672,720</b>	<b>-\$1,774,589</b>

**Impact Explanation:** The property tax exemption is currently scheduled to sunset for the tax year beginning July 1, 2014. It applies to properties worth less than \$15,000 in fiscal year 2011, indexed to inflation, in counties which have more than 340,000 people (currently Clackamas, Lane, Multnomah, and Washington.) \$800,000 in annual property tax revenue to counties is associated with these properties in the 2013-15 biennium. If the exemption were allowed to sunset, property tax payments would be collected on these properties beginning in November 2014. When the sunset is removed, these payments are not made, so the revenue impact is -\$800,000 in 2013-15, growing by 3% per year thereafter.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No

The policy purpose of this tax expenditure is to reduce administrative costs associated with processing personal property accounts with low value. However, the statute does not state a purpose; this is the presumed purpose.