

**77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE**

**MINORITY REPORT
MEASURE: HB 2227 MRB
CARRIER: Sen. Ferrioli**

REVENUE: Revenue impact statement issued.

FISCAL: Minimal fiscal impact.

Action:	Do Pass with Amendments, be Printed Engrossed. Minority
Signers of the Report:	Sen. Ferrioli, Sen. George
Prepared By:	Christine Broniak, Economist
Meeting Dates:	5/1

WHAT THE BILL DOES: Repeals certain little-used property tax exemptions, beginning with July 1, 2017, tax year. Creates consistent deadlines for application for certain property tax exemption programs. Eliminates application requirement for property owned by state or federal government, Indians or Indian tribe where leased, subleased or possession granted to state or federal government or Indian tribe. Creates 10-year clawback provisions for nonprofit corporation low income housing exemption program and vertical housing exemption program, consistent with other housing exemption programs. Requires applicant to obtain verifications required for farm labor camp and child care facility exemption programs. Adds application requirement to exemption for property held or operated by housing authority. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Impact of the business personal property cancellation on various sized businesses

EFFECT OF COMMITTEE AMENDMENTS: The minority report would increase the business personal property cancellation from \$12,500, indexed for inflation from 2002 to \$25,000, indexed for inflation from 2002. It would apply the increase to the tax year beginning July 1, 2014 and forward.

BACKGROUND: The business personal property tax cancellation is meant to exempt personal property of businesses that is worth less than \$15,500 in the property tax year beginning July 1, 2012. The amendment would make the limit of property value for cancellation \$33,000 in the tax year beginning July 1, 2014.