

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

Bill Number: HB 3112 - A
Revenue Area: Property Tax
Economist: Christine Broniak
Date: 5/6/2013

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

Measure Description:

Exempts from property taxation property of political subdivision used or intended to be used for affordable housing or leased or rented to persons of lower income for housing.

Revenue Impact (in \$Millions):

Indeterminate, see below.

Impact Explanation:

The measure allows counties and local governments to receive a property tax exemption on housing provided to low income individuals beginning with the tax year beginning July 1, 2013. The property in Portland that will first be affected by this measure has an annual tax bill of \$52,512, so the biennial revenue impact from that property will be \$104,000, growing by 3 percent per year. If other local governments undertake low income housing projects in response to this measure, the revenue impact would be larger. The size of the impact would depend on whether new property was constructed that would not otherwise have been, or if property was taken off the roll from a taxpaying entity to provide these services. In the case of the latter, there would be a revenue impact, but would depend on the extent of that effect.

Creates, Extends, or Expands Tax Expenditure: Yes No

The purpose of this tax expenditure is to provide cities and local governments with the ability to acquire property to build and maintain adequate low-income housing.