

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
Seventy-Seventh Oregon Legislative  
Assembly  
2014 Regular Session  
Legislative Revenue Office

Bill Number: HB 4039 - A  
Revenue Area: Property Tax  
Economist: Christine Broniak  
Date: 2-11-2014

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

**Measure Description:**

Provides exemption from ad valorem property taxation for property of nonprofit corporation that, for tax year beginning on July 1, 2012, was actually offered, occupied or used as low-income housing and granted exemption by county. Sunsets in the property tax year beginning July 1, 2018.

**Revenue Impact (in \$Millions):**

Note: Revenue impact could be \$0, see the discussion below.

	Fiscal Year		Biennium		
	FY 2013-14	FY 2014-15	2013-15	2015-17	2017-19
<b>Counties and Local Taxing Districts</b>	-4.37 to -17.46	-1.70 to -6.78	-4.99 to -19.96	-3.60 to -14.38	-1.91 to -7.63
<b>Schools</b>	-3.29 to -13.18	-2.25 to -8.99	-6.61 to -26.45	-4.77 to -19.07	-2.53 to -10.11
<b>Total</b>	-7.66 to -30.64	-3.94 to -15.77	-11.60 to -46.41	-8.36 to -33.45	-4.43 to -17.74

**Impact Explanation:**

The property tax exemption for charitable, literary, and scientific organizations is anticipated to have \$157.7 million in revenue impact in 2013-15 in total (As provided by the tax expenditure report.) The information for the amount of this tax expenditure is provided in aggregate by the county assessors and it is not possible to separate out how much is due to the exemption for nonprofit organizations providing housing. For the purposes of this analysis, it is assumed that five percent to 20 percent of the tax exemption is granted to these organizations. The measure only applies to organizations that were receiving an exemption for the property tax year beginning July 1, 2012. The measure has a sunset date for the property tax year beginning July 1, 2018. Pending the result of a Supreme Court case (Corvallis Neighborhood Housing Association et al. vs. Linn County Assessor), if the nonprofit housing providers prevail, there is no revenue impact to this measure. If the assessor prevails, the revenue impact is given above. Revenue impacts in the FY 2013-14 reflect the payment of taxes back to the tax year beginning July 1, 2012.

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

State Capitol Building  
900 Court St NE, Room 143  
Salem, Oregon 97301-1347

Phone (503) 986-1266  
Fax (503) 986-1770  
<http://www.leg.state.or.us/comm/lro/>