

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office**

**Bill Number: HB 2127 - 2
Revenue Area: Property Tax
Economist: Kyle Easton
Date: 4/10/2015**

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

Measure Description:

Allows authorized agent providing closing and settlement services in conveyance of real property to tax-exempt government transferee to withhold and pay to county in which property is located, property taxes on the real property as of the date of the conveyance if written instructions to do so are received from transferor. Prohibits county clerk from recording fee title of real property if certificate issued by county assessor does not accompany instrument conveying or contracting to convey fee title.

Requires a person seeking to record an instrument of sale to exempt government transferee, to pay to tax collector amount of charges against real property or assessor's estimate of charges if exact amount is unknown. Any deficiency required to be paid constitutes a personal debt and is not a lien on the property and is required to be collected as delinquent personal property.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
Local Government	.4	.5	.9	1.0	1.0
Local Education Districts	.3	.4	.7	.8	.8
Total Revenue Change	.7	.9	1.6	1.8	1.8

Impact Explanation:

The revenue impact estimate is based upon information provided by county assessors detailing the current outstanding delinquent tax amounts related to property transactions that would fall under the purview of the measure. It is expected that the requirements in the bill would cause taxes to be paid on property conveyed to tax-exempt government transferees. Under current law, instances occur where the taxes associated with property conveyed to tax-exempt government transferee is not paid and collection efforts are unsuccessful as property is no longer subject to foreclosure. The revenue impact displays a steady positive revenue stream, however data suggests that positive revenues would be more sporadic as large property transfers with unpaid tax occur more irregularly. The revenue impact reflects an averaged impact over future biennia. While the measure results in an estimated revenue gain, it is not a measure to raise revenue. Imposed property tax liability will not change, it is the expectation of payment that otherwise would not exist that causes the increase in revenue.

Creates, Extends, or Expands Tax Expenditure: Yes No