

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

**Bill Number: HB 2690 - 1
Revenue Area: Property Tax
Economist: Kyle Easton
Date: 4/23/2015**

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

Measure Description:

Exempts from property taxation land acquired and held by a nonprofit corporation for the purpose of building on the land residences to be sold to individuals with income not greater than 80 percent of area median income as adjusted for family size. Requires nonprofit corporation, within 10 years immediately preceding filing of claim for exemption, to have sold at least one residence to individuals with income not greater than 80 percent of area median income as adjusted for family size. Requires exemption to end at time of title transfer. Absent title transfer, exemption required to end after seven consecutive years with option for three year extension if claim is filed and filing fee paid. Applies to property tax years beginning on or after July 1, 2015.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
Local Government	(.1)	(.1)	(.2)	(.2)	(.2)
Local Education Districts	(.1)	(.1)	(.1)	(.2)	(.2)
Total Revenue Change	(.2)	(.2)	(.3)	(.4)	(.4)

Impact Explanation:

The estimate of the loss in revenue is based upon the assumption that nonprofit corporations owning qualifying property will apply for and subsequently receive the exemption. The measure applies the exemption to tax years beginning on or after July 1, 2015, however, applications for the exemption would have been due on or before April 1, 2015. To receive the application for tax year 2015-16, a late filing fee equal to the greater of \$200 or one-tenth of one percent of RMV per application for exemption is required.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to provide tax relief to land owning nonprofit corporations building residences to be sold to lower income individuals.