

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

**Bill Number: HB 2126
Revenue Area: Property Tax
Economist: Kyle Easton
Date: 5/6/2015**

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

Measure Description:

Adds definition of "nonresidential use" for purposes of vertical housing development zone program. Nonresidential use is defined as any use that is not exclusively residential use. Extends sunset date for new vertical housing zone designation and application for exemption to January 1, 2026. Takes effect on 91st day following adjournment sine die.

Revenue Impact (in \$Millions): Minimal

Impact Explanation:

The measure is expected to have a minimal impact upon revenue. The existing law sunset date is for new zone designations and certifications only, existing property that continues to meet qualification criteria will continue to receive exemption until 10 year property limitation period is met. Extension of sunset will allow Housing and Community Services Department to continue issuing new certifications for zone designation and project certification until 12/31/2026 at the request of cities, counties, (or a combination of the two) and persons seeking partial exemption. In 2014, fewer than ten properties received the exemption, it is expected that few properties will be newly certified and begin receiving exemption after the current sunset date. The measure's defining of the term "nonresidential use" is expected to have a minimal impact upon revenues.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this tax expenditure is to allow cities and/or counties the ability to provide partial property tax exemptions for development or rehabilitation of mixed use multiple-story buildings which subsequently encourages and supports the development, rehabilitation, and availability of mixed used property of desired density in designated areas.