

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

**Bill Number: SB 938 - 3  
Revenue Area: Property Tax  
Economist: Kyle Easton  
Date: 6/12/2015**

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

**Measure Description:**

Allows county, by ordinance or resolution, to allow property tax exemption for newly constructed or installed industrial improvements. Qualifying industrial improvements must have a minimum real market value between \$2 to \$10 million. Exemption is allowed for a period of three to five years at a declining percentage of assessed value. Requires county to specify number of years exemption is available and declining percentage to be applied to assessed value. Allows county at any time to amend or terminate exemption but requires industrial improvements receiving exemption to continue receiving exemption pursuant to the terms in effect at time exemption was first granted to property. Requires county to grant exemption on same terms to all eligible industrial improvements. County may allow exemption for property tax years beginning on or after July 1, 2014. Takes effect on 91st day following adjournment sine die.

Creates Task Force on the Taxation of the Property of Nonprofit Corporations. Requires task force to study issues relating to taxation and exemption of property owned, leased or used by nonprofit corporations. Requires task force to submit update to interim committees on revenue on or before December 1, 2015 and full report to Senate and House Revenue committees as soon as practicable after February 1, 2016.

**Revenue Impact (in \$Millions):** No direct revenue impact.

**Impact Explanation:**

The measure as amended would allow but not require county to adopt an ordinance or resolution granting property tax exemption for newly constructed or installed industrial improvements. As the exemption is permissive to counties, no direct revenue impact exists. If a county adopts an ordinance or resolution allowing the exemption, a revenue loss to local taxing districts would result.

The creation of a task force to study property taxation and exemption of property owned or leased by nonprofit corporations is expected to have no impact on revenue.

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

The policy purpose of this measure is to allow cities and counties the ability to provide temporary property tax relief, to industrial property owners newly constructing or installing industrial improvements, thereby encouraging business investment in such property and contributing to overall economic development.