

## HB 2774 -1, -2 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 3/2, 5/2, 5/11

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#### WHAT THE MEASURE DOES:

Requires Department of Revenue to make the information contained in central assessment roll available to the general public on the department's website. Requires Department of Revenue to make available to the general public on the Oregon transparency website specified information of property centrally assessed that is granted exemption under any statute for the current property tax year. Specified information includes: name of company, amount of assessed value that is exempt for current tax year and total estimated revenue loss and shift in tax liability due to each exemption for current tax year. Requires county assessors to provide information upon request of Department of Revenue to aid in providing aforementioned information. Provides rule making authority to Department.

#### ISSUES DISCUSSED:

3/2/2017

- Under current law, central assessment roll is publicly available and will soon be available on Department of Revenue's website regardless of outcome of measure
- Posting of exemption information as required in measure on Oregon transparency website will require a statutory change
- Amendment to include provisions outlined in Department of Revenue's testimony relating to the listing of specified exemptions to which disclosure would apply.

5/2/2017

- Semantics of requiring total estimated revenue loss and shift, amending measure with language that is more apropos
- Especially in instances of economic development tax expenditures, using terms "revenue loss and shift" may ignore the effect the tax incentive had upon encouraging business development and whether a "revenue loss" does indeed exist
- Importance of tax disclosure
- Fiscal impact measure as amended would have upon Department of Revenue
- Requirement of county assessors to provide information upon request to Department of Revenue.

#### EFFECT OF AMENDMENT:

-1 Replaces content of measure. Requires Department of Revenue to make the information contained in central assessment roll available to the general public on the department's website. Requires Department of Revenue to make available to the general public on the Oregon transparency website specified information of property centrally assessed that is granted exemption under specified statutes for the current property tax year. Specified information includes: name of company, amount of assessed value that is exempt for current tax year and total estimated revenue loss and shift in tax liability due to each exemption for current tax year. Requires county assessors to provide information upon request of Department of Revenue to aid in providing aforementioned information. Provides rule making authority to Department.

-2 Replaces content of measure. Requires Department of Revenue to make the information contained in central assessment roll available to the general public on the department's website. Requires Department of Revenue to make available to the general public on the Oregon transparency website specified information of property centrally assessed that is granted exemption under specified statutes for the current property tax year. Specified information

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includes: name of company, amount of assessed value that is exempt for current tax year and total estimated tax that would have been imposed on the property for the current property tax year had the property not been granted the exemption. Estimate required to distinguish between estimated tax to pay bonded indebtedness and all other estimated tax amounts. Requires county assessors to provide information upon request of Department of Revenue to aid in providing aforementioned information. Provides rule making authority to Department.

### BACKGROUND:

ORS 308.615 requires the Department of Revenue (DOR) to keep the central assessment roll as a public record. The roll is currently available on the Department's website.

As amended, specified exemption statutes to which DOR will be required to post information on Oregon transparency website are:

- 285C.175 - Enterprise Zone Businesses
- 285C.362 - Rural Renewable Energy Development Zone
- 285C.409 - Long Term Rural Enterprise Zones
- 307.110 (3)(j) - Certain Property Owned by a Port
- 307.123 - Strategic Investment Program
- 308.671 - FCC Licenses, Franchise Rights, Satellites
- 308.674 - Cap on Central Assessment for Certain Companies
- 308.677 - Gigabit Communication Services Qualified Project
- Section 1, Chapter 571 OR Laws 2015 - Solar Project Fee in Lieu

ORS 308.515, property used of held for future use by any company in performing or maintaining any of the following businesses or services are centrally assessed by the Department of Revenue:

- Railroad transportation
- Railroad switching and terminal
- Electric rail transportation
- Private railcar transportation
- Air transportation
- Water transportation upon inland water of the State of Oregon
- Air or railway express
- Communication
- Heating
- Gas
- Electricity
- Pipeline
- Toll bridge
- Private railcars of all companies not otherwise listed in this subsection, if the private railcars are rented, leased or used in railroad transportation for hire.