

## HB 2573 -2, -3 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Meeting Dates:** 3/22, 5/17

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#### WHAT THE MEASURE DOES:

Eliminates annual filing requirement of business personal property owners receiving property tax cancellation relating to business personal property the total value of which is less than specified threshold. Requires county assessor to annually provide a notice to each taxpayer whose taxable business personal property is not subject to ad valorem property taxation for the current property tax year due to being under specified threshold. To receive exemption, requires taxpayer to sign form attesting that the value of the taxable personal property has not changed since the prior assessment year. Clarifies language relating to certain personal property not subject to ad valorem property taxation.

#### ISSUES DISCUSSED:

- Clarifying points from county assessors, potential tweaks to measure language
- Non-public -1 amendment that would make changes to low value manufactured structures in high population counties
- How low value manufactured structures are taxed in counties below the existing law population threshold of 340,000.

#### EFFECT OF AMENDMENT:

-2 Eliminates annual filing requirement of business personal property owners receiving property tax cancellation relating to business personal property the total value of which is less than specified threshold. Requires county assessor to annually provide a notice to each taxpayer whose taxable business personal property is not subject to ad valorem property taxation for the current property tax year due to being under specified threshold. To receive exemption, requires taxpayer to sign form attesting that the value of the taxable personal property has not changed since the prior assessment year. Clarifies language relating to certain personal property not subject to ad valorem property taxation. For counties with population of more than 570,000 (Multnomah and Washington), increases threshold from \$12,500 to \$25,000 under which personal property manufactured structures of a taxpayer are not subject to ad valorem property taxation.

-3 Identical to -2 amendment except that assessor may provide business personal property notice to taxpayer in -3 language rather than being required to provide notice as in the -2.

#### BACKGROUND:

Under current law, property taxes levied upon business personal property are cancelled if the total assessed value of all the taxable business personal property in any county for any taxpayer is less than a specified amount in any assessment year. Specified amount is indexed to inflation and is \$16,500 for the 2017-18 property tax year. To receive cancellation, taxpayer must file an initial application with county assessor. In subsequent years, to continue receiving cancellation taxpayer is required to annually file a statement with county assessor declaring that the value of taxpayer's business personal property continues to be less than the indexed threshold.

Under current law, in counties with populations greater than 340,000 (Multnomah, Washington, Clackamas and Lane), manufactured structures taxed as personal property have their ad valorem tax assessment cancelled by the assessor if the total assessed values of the manufactured structure is less than a specified amount. Specified amount was initially set at \$12,500 and is indexed for inflation and is \$16,500 for the 2017-18 property tax year. Changes in

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the measure will increase specified amount for 2017-18 property tax year in Multnomah and Washington counties to \$33,500 (after indexing).