

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
79th Oregon Legislative Assembly
2017 Regular Session
Legislative Revenue Office

Bill Number: HB 2573 - 3
Revenue Area: Property Taxes
Economist: Kyle Easton
Date: 5/17/2017

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

Measure Description:

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. Allows 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 (dollar amounts are subsequently indexed to inflation) under which personal property manufactured structures of a taxpayer are not subject to ad valorem property taxation. Changes in the measure will increase specified amount for 2017-18 property tax year in Multnomah and Washington counties to \$33,500 (after indexing).

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2017-18	2018-19	2017-19	2019-21	2021-23
Local Governments	-0.4	-0.4	-0.8	-0.8	-0.7
Local Education Districts	-0.3	-0.3	-0.6	-0.5	-0.5
Total Revenue Change	-0.7	-0.7	-1.4	-1.3	-1.3

Impact Explanation:

Estimate of revenue impact is based upon an analysis of manufactured structures in Multnomah and Washington counties that are currently subject to property taxation that, with changes to minimum threshold contained in amended version of measure, would no longer be subject to ad valorem property taxation. Estimated revenue impact also includes losses in non-ad valorem special assessments/fees totaling less than \$10 per property account reflective of delinquent tax cancellation threshold (ORS 311.795).

A minimal impact upon revenue relating to statutory changes to business personal property filing requirement is expected.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to increase the existing law exemption threshold for personal property manufactured structures, in counties with populations greater than 570,000, reflective of changes in values of such structures and overall housing stocks in both Multnomah and Washington counties.