

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

**Bill Number: HB 3459 - 2
Revenue Area: Property Taxes
Economist: Kyle Easton
Date: 6/9/2017**

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Expands existing property tax exemption available under ORS 307.130 to include all real and personal property of a retail store owned by a nonprofit corporation if retail store deals exclusively in donated inventory, operates with substantial support from volunteers and all net proceeds of the retail store sales are donated to one or more of the following:

- A nonprofit corporation that provides animal rescue services
- A manufacturer or provider of goods or services in return for equivalent value of goods or services from the manufacturer or provider
- To an entity that provides spaying and neutering services for pets of individuals residing in households with an annual household income at or below 80 percent of the area median income
- For the purpose of aiding domesticated animals, regardless of whether the animals are in the custody of the county shelter, in furtherance of the purpose for which the nonprofit corporation was organized.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2017-18	2018-19	2017-19	2019-21	2021-23
Local Governments	-0.03	-0.03	-0.06	-0.06	-0.06
Local Education Districts	-0.02	-0.02	-0.04	-0.04	-0.04
Total Revenue Change	-0.05	-0.05	-0.11	-0.11	-0.11

Impact Explanation:

Impact estimate is based upon an analysis of thrift store property tax accounts that would potentially be exempt from property taxation and applying an average reduction in tax revenue per account. Measure as amended expands potential qualification standards required of retail stores to receive exemption. For this reason, revenue impact is no longer considered minimal.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to provide property tax relief to nonprofits that operate thrift stores, the net proceeds of which are used to support animal causes. Exemption is intended to provide property tax exemption parity between nonprofit thrift stores operated to benefit animals and nonprofit thrift stores operated to benefit people.