

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 181 - A9**

79th Oregon Legislative Assembly – 2017 Regular Session  
Legislative Fiscal Office

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

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**Measure Description:**

Requires certain institutions seeking property tax exemption to file information return that states basis for exemption claim in terms derived from Oregon case law.

**Government Unit(s) Affected:**

Counties, Legislative Revenue Office (LRO), Department of Revenue(DOR)

**Analysis:**

**Summary of Expenditure Impact:**

Indeterminate

**Analysis:**

**Counties**

This bill requires certain institutions requesting a property tax exemptions to file an information return. County assessors that discover material, misleading or false information on the return must contact the requesting institution to request clarification or correction. County assessors may disqualify institutions for the exemption if they do not respond to the request or do not cure the return.

The Legislative Revenue Office (LRO) polled counties to determine the number of properties that would be subject to the reporting requirements in this bill. Twenty-six counties responded, resulting in an LRO estimate of 5,875 subject properties. The ten counties that did not respond to LRO’s request were small counties. The Association of Oregon Counties (AOC) estimates that each of these counties would have about 50 subject properties, which would add 500 properties to the LRO estimate.

The Association of Oregon Counties estimates a statewide fiscal of \$93,235, using the assumption that each account will take about 0.5 hours of staff time at \$45 per hour. Most counties would be responsible for processing less than 100 returns once a year. Larger counties could process several hundred. Given these assumptions, it is unlikely that the requirements that the bill imposes on counties would require significant year-round staff time; however, the amount of work required will depend on the quality of the information returns. The fiscal impact on counties is indeterminate.

**Department of Revenue**

The Department of Revenue (DOR) would create the form used by subject properties to meet the requirements of this bill. They would also incorporate the requirements of the bill into their website and training materials for county assessors. DOR states they would absorb the additional work into their normal processes. The fiscal impact on DOR would be minimal.

**Legislative Revenue Office**

The Legislative Revenue Office (LRO) is required to conduct a study of information returns submitted pursuant to this bill and report to the Legislature during the interim with their findings. This study was part of their existing work plan. There is no fiscal impact to the Legislative Revenue Office