

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

Bill Number: SB 310
Revenue Area: Property Taxes
Economist: Kyle Easton
Date: 2/22/2017

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

Measure Description:

Measure eliminates oversight and administrative roles of Housing and Community Services Department (HCSD) related to Vertical Housing Development Zone (VHDZ). Eliminates requirement of city or county (or combination thereof) to apply to HCSD for zone designation, allows city or county to designate VHDZs. Allows city or county to certify a vertical housing development project if specified requirements are met.

Revenue Impact (in \$Millions): No direct revenue impact

Impact Explanation:

Reduction in property tax revenues due to partial property tax exemption available under Vertical Housing Development Zone program is dependent upon local governments authorizing the exemption. Measure provides authority to counties and cities to designate VHDZs and certify vertical housing development projects that meet specified parameters. Component of existing law that remains unchanged allows special districts not to participate in VHDZ program, allowing special districts to continue levying property tax upon property otherwise certified to receive partial property tax exemption. Because VHDZ is a property tax exemption program permissive to local governments, no direct revenue impact exists.

Creates, Extends, or Expands Tax Expenditure: Yes No

Parameters for zone designation and project certification remain largely unchanged. However, under current law, HCSD has rule making authority allowing the Department to determine suitability of the county or city proposed zone for accomplishing the purposes of the VHDZ program. Elimination of HCSD oversight responsibility will eliminate a required step for city or county to have a VHDZ designated, which could be viewed as an expansion to the program (to date, HCSD has not denied any applicants for VHDZ program).