

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 181 - A

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

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

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Date: 3/13/2017

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, Department of Revenue(DOR)

Summary of Expenditure Impact:

Indeterminate

Analysis:

Counties

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.

AOC determined that to comply with the bill each county assessor would have to receive the annual filings, review them for adequacy and completeness, document/log them, interact with the taxpayer periodically and record them. AOC assumes this process would take about 90 minutes per account and would require a clerical position and some occasional assistance from an appraiser.

AOC states that the salary, benefits and overhead of a clerical position, plus occasional time from an appraiser, will cost \$650,000 annually statewide to counties.

LFO notes that \$650,000 divided among 36 counties is \$18,056. 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. 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.