

**PRELIMINARY**

**REVENUE IMPACT OF  
PROPOSED LEGISLATION  
80th Oregon Legislative Assembly  
2019 Regular Session  
Legislative Revenue Office**

<b>Bill Number:</b>	<b>HB 2458</b>
<b>Revenue Area:</b>	<b>Property Tax</b>
<b>Economist:</b>	<b>Jaime McGovern</b>
<b>Date:</b>	<b>03/25/2019</b>

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

---

**Measure Description:**

Exempts from ad valorem property taxation property that is owned or used by cooperative for purpose of providing steam or hot water heat by combustion of biomass.

**Revenue Impact:**

No Revenue Impact

**Impact Explanation:**

The property on the tax roll is a boiler heat generation and distribution system owned by a co-op. The boiler heats a local school and courthouse, and now has begun to serve additional buildings. This bill would have exempted that property and reduced local tax revenue in Harney County by approximately \$35,000 for the 2019-2020 tax year. At the beginning of legislative session, this issue was in litigation. Since this bill was drafted, however, the Department of Revenue has certified that the property is tax exempt. Therefore, this bill will not have a revenue impact on the existing property. If co-ops which satisfy the criteria in the bill are built subsequently, then that property would be exempt under this bill, and a revenue loss would occur.

**Creates, Extends, or Expands Tax Expenditure: Yes  No**