

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

Bill Number: HB 2684 - A
Revenue Area: Property Tax
Economist: Jaime McGovern
Date: 04/18/2019

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

Measure Description:

Repeals property tax exemption for property of company that builds, maintains and operates project constituting certain communication services infrastructure.

Revenue Impact (in \$Millions):

	Biennium		
	2019-21	2021-23	2023-25
Local Governments	\$2.8	\$3.3	\$3.5
Local Education Districts	\$1.9	\$2.3	\$2.5
Total Revenue Change	\$4.7	\$5.6	\$6.0

Impact Explanation:

Current statute provides a property tax exemption to a broadband service provider in perpetuity. This revenue estimate is constructed considering the only company that is currently qualified to receive the exemption. The impact would increase based on the size and number of companies that may apply for and receive this exemption in the future. Upon the passage of this bill as amended, the Department of Revenue would specially assess the company's intangible property at 75% of its real market value for the 2019-20 tax year. In addition, the bill would eliminate the existing property tax exemption for all future tax years. Therefore, the revenue increase in the table above represents the phase out value of the tax exemption.

Creates, Extends, or Expands Tax Expenditure: Yes No