

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

Bill Number:	SB 431-B
Revenue Area:	Property Tax
Economist:	Jaime McGovern
Date:	05/29/2019

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

Measure Description:

Creates urban flood safety and water quality district in portion of Multnomah County within urban growth boundary adopted by Metro, for purposes of acquiring, purchasing, constructing, improving, operating and maintaining infrastructure in order to provide for flood safety and contribute to water quality, floodplain restoration and habitat and landscape resilience.

Revenue Impact:

As this measure allows the formation of a new taxing district and the dissolution of current taxing districts by vote, there is no direct revenue impact. There is potential impact, contingent on successful implementation (described below).

The bill proposes a multi stage process to replace four current districts, each with taxing authority, by one district with a unified governance structure and taxing authority. Initially, Levee Ready proposes to create an interim board and hold an election to form what will be the permanent taxing district and board. Once that is secure, the existing districts will be dissolved and the new district with its permanent board will proceed to fund and operate the levee system and drainage district.

The new district plans to issue a general obligation bond to fund infrastructure costs and a utility fee to cover operations and maintenance. Levee Ready Columbia estimates that the G.O. Bond will need to be issued at a level between \$115 and \$200 million dollars, to be financed over 20 years. Similarly Levee Ready Columbia estimates that O&M over the same time period will be between \$150 million and \$180 million but will not require a bond.

The four existing districts currently impose approximately \$6.3 million in taxes annually. The taxing districts that are currently subject to Measure 5 compression will release approximately \$740 thousand annually to other taxing districts in their code areas, while there will be a reduction in local tax revenue of approximately \$5.6 million annually directly due to- the dissolution of the districts and the loss of taxing authority.

Creates, Extends, or Expands Tax Expenditure: Yes No