

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

Bill Number: SB 737
Revenue Area: Property Tax
Economist: Jaime McGovern
Date: 02/26/2019

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

Measure Description:

Extends sunset for property tax exemption for low income rental housing to July 1, 2030.

Revenue Impact (in \$Millions):

	Biennium		
	2019-21	2021-23	2023-25
Local Governments	-0.06	-0.12	-0.12
Local Education Districts	-0.04	-0.08	-0.08
Total Revenue Change	-0.10	-0.20	-0.20

Impact Explanation:

The current value of the property that is exempted due to this law is approximately \$65 million statewide. Those properties would be considered continuing (for a maximum of 20 years each property) and therefore not affected by the sunset. Given the total amount of property on the roll, and the cyclical nature of new applicants, along with current local CPR's the impact is estimated to be approximately \$100,000 for the first biennium. This estimate reflects the ability of developers to complete a desired project prior to the sunset.

Creates, Extends, or Expands Tax Expenditure: Yes No

The purpose of this existing law is to provide an incentive for nonprofit and for-profit development of low income rental housing. In areas where there is a shortage of low cost housing a taxing district may choose to adopt authorizing provisions to reduce the operating expenses for the provider of low income housing.