

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
81st Oregon Legislative Assembly
2021 Regular Session
Legislative Revenue Office

Bill Number:	HB 2693
Revenue Area:	Property Tax
Economist:	Jaime McGovern
Date:	03/03/2021

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

Measure Description:

Allows exception to requirement for property tax exemption that property of industry apprenticeship or training trust be actually and exclusively occupied and used for purposes of industry apprenticeship or training trust for occasional, short-term, use by corporation exempt from federal income tax for purposes for which corporation is granted federal exemption.

Revenue Impact: This measure is not expected to generate a revenue impact (see explanation below)

Impact Explanation: The measure allows the trust owning tax exempt apprenticeship property to permit temporary, short term, non-profit charitable, usage of the property without losing the tax-exempt status. The total revenue loss in the current biennium from the apprenticeship property tax exemption is \$2 million exercised by 35 accounts in eight counties. Therefore, \$2 million is the maximum amount of revenue that the local governments and schools could expect if apprenticeship trusts permitted use of the exempt property under current law. However, absent the passage of this bill, apprenticeship trusts are unlikely to loan out exempt property if the loan violates the condition of the exemption, which makes it unlikely that there is any revenue impact of this legislation. Instead, the anticipated effect of this legislation, is that apprenticeship trusts may be more likely to allow short term charitable use of the property that they likely wouldn't otherwise.

Creates, Extends, or Expands Tax Expenditure: Yes No