REVENUE IMPACT OF PROPOSED LEGISLATION

Seventy-Eighth Oregon Legislative Assembly
2015 Regular Session
Legislative Revenue Office

Bill Number: HB 2128
Revenue Area: Property Tax
Economist: Kyle Easton
Date: 4/7/2015

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Establishes personal liability of a lessee for property taxes, as the property is leased from an exempt government (federal, state or local) entity. Provides counties with means of collecting unpaid taxes from a person and their real and personal property. Requires county clerk to immediately issue writs of attachment on application by tax collector or district attorney for the county as plaintiff.

Revenue Impact (in $Millions):

	Fiscal Year			Biennium		
	2015-16	2016-17		2015-17	2017-19	2019-21
Local Government	<.1	.1		.1	.1	.1
Local Education Districts	<.1	.1		.1	.1	.1
Total Revenue Change	.1	.1		.2	.2	.2

Impact Explanation:

The revenue impact estimate is based upon information provided by county assessors detailing the current outstanding delinquent tax amounts related to property transactions that would fall under the purview of the measure. It is expected that the requirements in the bill would cause most taxes to be paid on property leased from exempt government to taxable entities. Under current law, instances occur where taxes associated with property leased from exempt government owners to taxable entities are not being paid, especially at times where a lease ends or is discontinued. At that point the property returns to exempt status leaving counties without the ability to foreclose and collect delinquent taxes.

The revenue impact displays a steady positive revenue stream, however data suggests that positive revenues would be more sporadic as large unpaid property leases occur more irregularly. The revenue impact reflects an averaged impact over future biennia.

Creates, Extends, or Expands Tax Expenditure: Yes ☐ No ☒

State Capitol Building
900 Court St NE, Room 143
Salem, Oregon 97301-1347

Phone (503) 986-1266
Fax (503) 986-1770
https://www.oregonlegislature.gov/lro