

**REVENUE IMPACT OF
PROPOSED LEGISLATION
79th Oregon Legislative Assembly
2017 Regular Session
Legislative Revenue Office**

**Bill Number: HB 2745 - 1
Revenue Area: Property Taxes
Economist: Kyle Easton
Date: 3/21/2017**

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

Measure Description:

Measure as amended provides an intergovernmental entity created to operate, maintain, repair and modernize transportation facilities that qualifies as a designated recipient of funding for transit operations from the Federal Transit Administration, to issue general obligation bonds and assess, levy and collect ad valorem property taxes, including operating taxes and local option levies. Measure provides intergovernmental entity ability to divide territory of entity into zones for the purpose of imposing and levying property taxes at different rates in each zone base upon qualitative differences in services provided. Measure specifies procedure to be followed allowing intergovernmental entity authority to tax; specified procedure includes receiving voter approval.

Revenue Impact (in \$Millions):

This measure has a subsequent referral to the House Revenue Committee. A more complete revenue impact statement will be developed at that time.

Impact Explanation:

Measure provides authority to an intergovernmental entity created to operate, maintain, repair and modernize transportation facilities that qualifies as a designated recipient of funding for transit operations from the Federal Transit Administration to impose property tax, but does require taxation to be extended. For property taxes to be levied, local government and voter approval is required. If authority to impose property tax is approved, an overall increase in property tax liability would follow. Property tax revenue would be directed to the intergovernmental entity, with potential decreases in revenues for other general government taxing districts, if intergovernmental entity imposes taxation via permanent or local option taxing authority. This potential reduction in revenue results from increased reductions in tax extended resulting from Measure 5 compression.

Creates, Extends, or Expands Tax Expenditure: Yes No

Further Analysis Required