

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

Bill Number: HB 3171 - 2  
Revenue Area: Property Taxes  
Economist: Kyle Easton  
Date: 4/20/2017

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

**Measure Description:**

Modifies instances when additional taxes are not imposed upon leased public property disqualified from special assessment when reason for disqualification is termination of lease under which the land was assessed. Modifies timing of disqualification from special assessment to be date on which the lease was terminated.

**Revenue Impact:**

The impact to property tax revenues is expected to be minimal.

**Impact Explanation:**

The impact to property tax revenues is expected to be minimal on an annual basis. However, there have been instances in the past where larger amounts of additional taxes were imposed due to disqualification from special assessment. For example, in 2014, property previously leased by Port of Morrow and specially assessed prior to lease termination in 2013, that was sold just days later, was assessed nearly \$250,000 in additional tax due to nonexclusive farm use special assessment disqualification. Instances and amounts such as these are rare, and are likely to be rarer following Magistrate's decision as local districts are more aware of potential additional tax being imposed.

**Creates, Extends, or Expands Tax Expenditure:**      Yes  No