

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

Bill Number: HB 3171 - A
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 as local districts are more aware of potential additional tax being imposed following the decision in Magistrate Division of Oregon Tax Court in Boardman Acquisition LLC v. Morrow County Assessor (2013).

Creates, Extends, or Expands Tax Expenditure: Yes No