

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
82nd Oregon Legislative Assembly
2023 Regular Session
Legislative Revenue Office

Bill Number: HB 3457 - A
Revenue Area: Property Taxes
Economist: Chris Allanach
Date: 5.11.23

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

Measure Description:

Makes a variety of changes to the Strategic Investment Program. Increases the fee cap from \$2.5M to \$5M. Reduces the maximum amount of annual Gain Share distributions received by any single county from \$16M to \$5M. Increases the amount of real market value that is taxable depending on project size: from \$25M to \$50M, from \$50M to \$60M, and from \$100M to \$150M. Creates a sunset date of July 1, 2030 for the Strategic Investment Program.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2023-24	2024-25	2023-25	2025-27	2027-29
General Fund	\$0	\$11	\$11	\$22	\$22
Local Government	\$0	-\$11	-\$11	-\$22	-\$22

Currently, only Washington County receives Gain Share distributions above the proposed cap of \$5M; they receive the maximum \$16M annually. The change in the cap is expected to result in \$11M per year being retained in the General Fund.

One part of the revenue impact on local governments would depend on any expected change in the number and size of future projects. By increasing the taxable thresholds, local governments would expect to see additional property tax collections above the current law structure. The revenue impact from the sunset date would be based on the assumption it takes effect as stated in the bill. Such an impact would likely be based on some type of statistical averaging based on historical use.

Further analysis will be conducted when the bill is in the Joint Committee on Tax Expenditures.

Creates, Extends, or Expands Tax Expenditure: Yes No