

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
83rd Oregon Legislative Assembly
2025 Regular Session
Legislative Revenue Office

Bill Number:	HB 2725 - A
Revenue Area:	Property Tax
Economist:	Beau Olen
Date:	6/11/2025

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

Measure Description:

Prohibits an unaffected port from being a party to an intergovernmental agreement under the Strategic Investment Program (SIP) for annual distribution of community services support fee revenue to certain taxing districts. Defines “affected port”. Applies to a county request for a SIP property tax exemption made after the effective date of the act.

Revenue Impact:

The measure has no net revenue impact on local governments overall, compared to the current annual distribution of SIP community services support fee revenue to certain taxing districts.

Impact Explanation:

Currently, any port district in Oregon can be a party to an intergovernmental agreement for annual distribution of community services support fee revenue if the port district is in the code area of a SIP project receiving the property tax exemption. The fee amount for a qualifying business firm is 25 percent of the property tax which would, but for the exemption, be due on an exempt property. The maximum fee, which is adjusted for inflation each year, is \$3,084,000 in 2025-26. Total fee revenue in 2023 was \$10.2 million. Fee revenue is generally distributed among all non-school taxing districts in the code area of an exempt property, based on an intergovernmental agreement or otherwise by action of the Oregon Business Development Commission. Under the measure, total fee revenue collected from qualifying business firms will not change. An “affected port” is limited to the Ports of Cascade Locks, Hood River, The Dalles, Arlington, Morrow, Umatilla, and any port that owns land on which any part of a SIP project will be located. As such, fee revenue that is currently distributed to an unaffected port will be redistributed to taxing districts that are parties to an intergovernmental agreement.

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