

MEASURE: HB 2569 A
EXHIBIT: 6
Senate Finance and Revenue 76th Session
DATE: 05-02-2011 PAGES: 1
SUBMITTED BY: Tony Mounts



ADMINISTRATIVE SERVICES DEPARTMENT
555 Liberty St. SE, Room 230 • Salem, OR 97301-3513
Phone: 503-588-6040 • Email: finance@cityofsalem.net • Fax: 503-588-6251

May 2, 2011

Chair Burdick and members of the Senate Finance and Revenue Committee:

The City of Salem supports HB 2569 A and requests that the Senate Finance and Revenue Committee send this bill to the floor of the Senate with a "do pass" recommendation.

This bill solves two immediate problems that local governments in Oregon are facing as a result of the Comcast case in Oregon Tax Court.

First, by allowing tax appellants to defer payment of tax computed on disputed value, taxing jurisdictions are relieved of the obligation to pay the statutory interest rate of one percent per month (ORS 311.812).

Second, allowing tax appellants to defer payment of tax computed on disputed value eliminates the need for a large refund reserve account (ORS 311.814). This, in turn, eliminates the inequity of funding a reserve from all taxing jurisdictions (according to each jurisdiction's distribution rate) while tax payments from disputed value may be concentrated in just a few jurisdictions. Under current statute, all taxing jurisdictions share proportionately in funding a reserve account even if those jurisdictions did not receive any revenue from the disputed value.

HB 2569 A will help the City of Salem and all local governments to avoid the inequities and onerous costs of large property tax appeals such as the Comcast case. We ask for your support.

Sincerely,

A handwritten signature in black ink that reads "Tony Mounts". The signature is written in a cursive style with a large, looped initial "T".

Tony Mounts
Administrative Services Director