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Testimony of Pete Shepherd

On Behalf of the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians

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HB 4041

The Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians (CTCLUSI) support HB 4041 with the -1 amendments. With the -1 amendments included, HB 4041 provides a flexible framework within which Tribal governments can add to stocks of low-income housing under the same conditions as local governments perform the same governmental function.

We own land in Florence, Oregon that we intend to develop for low income housing. Like similar projects undertaken by public housing authorities, we intend to enter into a partnership with a for-profit partner to finance and construct the project. If the CTCLUSI were a unit of local government instead of an Indian Tribal government, the ground and the final project would be exempt from property tax under ORS 307.092(1)(a) and (b). That exemption encourages private, for-profit developers to enlist their efforts in partnerships with units of local government and public housing authorities. Under current law neither the ground nor the resulting final structure will be exempt.

The -1 amendments to HB 4041 equalize the tax treatment of the proposed project. If the CTCLUSI's governmental/private partner low income housing project satisfied the requirements of lines 18 – 22 of page 1 of the -1 amendments, then it would be exempt from property taxation. If the tribe instead undertook the project through the mechanism of a nonprofit corporation on which the tribe served as a director, then the tribe would also be required to satisfy the requirements of line 17 (which apply to nonprofit corporations developing low income housing).

We also support the -3 amendments. They add ORS 307.181, the tribal property tax exemption statute amended by HB 4041, to statutes requiring institutions or organizations claiming a statutory exemption to submit to the assessor a claim verified by oath or affirmation. The claim, which is a prerequisite to enjoying the exemption, must contain a list of the property for which an exemption is claimed. It must also "show the purpose for which the real property is used . . ." ORS 307.162(1)(a)(A). Under this provision, no tribe is eligible to claim any of the exemptions allowed by current law or under the bill unless the tribe complies with the notice

requirements of ORS 307.181. This provides the assessor with notice sufficient to trigger an inquiry into the claim of exemption.

The CTCLUSI deeply appreciate Rep. Bentz's careful consideration, detailed work, and willingness to hear our concerns on the issue of government-sponsored low income housing and on the bill itself. The -1 amendments would create functional equivalence between the tax treatment of low income housing projects sponsored by tribal governments and the treatment of low income housing projects sponsored by other governments serving Oregonians. We respectfully ask that the Committee move the -1 and -3 amendments and pass the amended bill to the floor with a due pass recommendation.