

April 8, 2013

Re: TESTIMONY BY CHRISTOPHER K. ROBINSON IN SUPPORT OF HB-2731

Dear Chair and House Revenue Committee Members:

My name is Christopher K. Robinson. I am a licensed Oregon attorney since 1977. My practice specializes in representation of property taxpayers before the Magistrate and Regular Divisions of the Oregon Tax Court for the last 26 years. I am a member of the Real Estate and Land Use and Taxations sections of the Oregon State Bar. I have a challenging docket of appeals in the Oregon Tax Court. I have successfully litigated property tax valuation issues at the Oregon Supreme Court. I also sit on the board of directors for AOL. I have reviewed the testimony submitted by my peer David L. Canary and fully support his comments regarding HB 2731. My experiences in this field are similar.

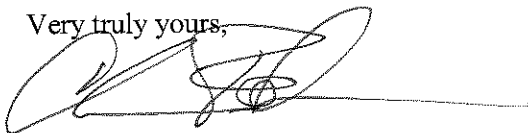
Due to events in financial markets and the resulting recession, market values for most types of real estate were negatively impacted. Businesses downsized or closed and vacated their buildings. A recurring theme in many of our property tax appeals involving income producing properties has been how to quantify the costs associated with getting the building back to a market level occupancy. These costs would typically include rent loss, tenant improvements and leasing commissions.

I recently received an appraisal from one county for an upcoming trial at the Regular Division of the Oregon Tax Court. The case involved a 220,000 square foot distribution warehouse which as of the January 1, 2010 date of value had 160,000 square feet of vacant space. The County's appraisal did not include any allowance for the stabilization costs. As a side note, that space remains vacant today. Had the appraisal been in compliance with Uniform Standards of Professional Appraisal Practice ("USPAP"), the appraiser would have been in violation and subject to possible license sanction. I should add that my client had won at the Magistrate Division and the County appealed to the Regular Division. In a well-reasoned opinion, the Court arrived at a market value that recognized the building was only two-thirds vacant.

This experience provides an excellent case study not only demonstrating the need for USPAP compliance but also for the award of attorneys fee and costs when the taxpayer is forced to litigate twice and prevails both times.

When appraisers from a county or the Department of Revenue testify on valuation issues, they should be subject to the same appraisal standards as a taxpayer's appraiser. A possible award of attorney fees should cause counties and the Department of Revenue to be more reflective before requiring the taxpayer to litigate twice.

Very truly yours,



Christopher K. Robinson