

Testimony for Public Hearing
House Committee on Revenue
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HB 2227 – Relating to Exemption from Property Taxation

Good Morning Chairman Barnhart and House Revenue Committee Members. My name is Sue Martin and I am currently president of the Oregon State Association of County Assessors and have served as the elected Assessor for Columbia County for the last nine years. I am also a member of the exemptions workgroup that was formed as part of the task force on Government Efficiency along with Assessors from Multnomah, Union, Josephine, Lane, Marion and Umatilla counties and an Exemptions Specialist from the Oregon Department of Revenue.

I am here to testify on behalf of the Oregon State Association of County Assessors in support of HB 2227. The exemptions workgroup met several times during 2011 to find inefficiencies in the various exemption programs and discussed ways to gain more consistency among the programs without impacting the intent of the exemptions. We started by developing approximately a dozen concepts regarding exemption and special assessment programs that were difficult to administer and recommending possible solutions. Stakeholders were asked for comments and all 36 County Assessors were surveyed to determine the ones that had common support, which are the changes being proposed in this Bill.

The changes proposed in this HB 2227 will increase efficiency for Assessors for the following reasons:

- With 123 property tax exemptions, it makes sense to eliminate those that are unused or have the same requirements as another program.
- Creating a consistent due date for most programs is a much more efficient method of processing exemption applications. Often processing an exemption application involves researching statutes, administrative rules and past court cases to determine eligibility. By doing this research only once a year for all new application, it allows Assessors to focus on other mandated programs without interruption. In particular, when applications are received while we are in the middle of turning the roll, it creates a greater workload trying to both do the research necessary for the exemption and complete a timely certified roll.
- Public entities that are exempt under ORS 307.040 or 307.090 are currently required to submit an application for exemption if leasing property to another entity that is exempt under ORS 307.040 or 307.090. Often, the public entity is unaware of this requirement and when it is discovered, the Assessor is required to disqualify the entity due to filing issues. While it is important for Assessors to maintain information on these leases, removing the application and disqualification requirement for these entities and only requiring a copy of the lease seems more appropriate and reduces the Assessors workload.
- Clarifying how back taxes are to be calculated for programs that do not currently have clear language or have no additional tax provision even though they are similar to other programs, will enable all Assessors to provide consistent disqualification throughout the state. It will prevent differing interpretations among Assessors as well as eliminate

the time an Assessor may spend on trying to interpret how the back tax should be calculated.

- The Farm Labor Housing and Day Care Centers Exemption currently requires the Assessor to obtain compliance certifications, unlike other exemptions in which the applicant is expected to provide all necessary documentation as part of their application. By placing responsibility for providing the certifications with the applicant to be filed with their application to the Assessor, removes the necessity of the Assessor to review the application more than once.

The exemptions workgroup put a lot of time and effort in researching current exemptions and identifying areas that can increase the efficiency of administering these exemptions. I do not believe any of the changes proposed in HB 2227 would negatively impact the exemption programs, but will have a positive impact on reducing and consolidating the workload for Assessors throughout the state.

Thank you for your time and consideration.

Sincerely,

Sue Martin