



OREGON STATE ASSOCIATION OF COUNTY ASSESSORS

February 5, 2014
House Committee on Revenue
House Bill 4039

Chair Barnhart, members of the committee, thank you for allowing me to testify before you today. My name is Douglas Schmidt and I am the President of the Oregon State Association of County Assessors (OSACA). House Bill 4039, proposes to change ORS 307.130 to allow a benevolent or charitable institution to exempt a low income housing complex they own or are purchasing.

While the Assessors Association understands the need for housing for low income persons, we have concerns about this bill and its implementation.

- The Assessors Association believes this bill may have been generated due a Tax Court decision involving a different property. That court decision is currently at the Supreme Court for resolution. The Assessors Association believes any legislation should wait until the courts have made their final determination.

- ORS 307.541 and supporting statutes already provide criteria for exemption along with a process and accountability mechanisms. If necessary, the Assessors Association believes that ORS 307.541 is the statute that should be looked at to possibly simplify and clarify the qualification for non-profit low income housing.

- The Assessors Association does not believe that providing a duplicate exemption in ORS 307.130 will clarify or simplify the Property Tax System and that modifying ORS 307.130 could have unintended consequences for other low income housing complexes.

ORS 307.130 was not intended to resolve the "actually and exclusively occupied or used" provision for properties rented for housing. ORS 307.130 is intended for administrative offices, operations, etc, not housing. The low income housing statute is ORS 307.541.

If a benevolent or charitable organization was the leasing agent for an apartment complex that may or may not be low income housing, would it be granted exempt status as ancillary income to the non profit benevolent or charitable organization.

Thank you for allowing me to speak to you today and if necessary, the Assessors Association recommends that changes be made to ORS 307.541 instead of ORS 307.130 to better define exemptions for non profit low income housing.

If you have any questions, I would be happy to try and answer them.