

HB 3246 10-year Property Tax Reductions for Energy Efficiency and Greenhouse Gas Emissions

Testimony for House Revenue 4.1.2015 Jody Wisner



We have problems with this bill on three counts.

1) Revenue Restructuring Task Force, in its January 2009 report, said:

Reduce restrictions on local government's ability to raise revenue and refrain from new property tax exemptions or state mandates on local governments. This recommendation is directed at the Legislature and essentially says "do no harm" that will make local government's fiscal situation worse.

Today's bill is in direct opposition to this policy, as are all bills that restrict the value of property that can be taxed. It's a feel-good environmental bill, but in direct opposition to the policy of avoiding actions that erode the local tax base.

2) Further it doesn't prove increased resources to auditor's offices around the state, but it does imposed new work on those offices.

3) The bill provides no statement of purpose or a sunset data.

Imagine, for instance, a new data center in Hillsboro. For the sake of their own bottom line and their public image, it will include numerous heating and cooling and energy efficiency efforts and perhaps even a large solar array, any of which might receive Energy Trust or ODOE subsidies. If they are in an enterprise zone, with a five year property tax exemption, they could get this benefit for an additional 5-10 years, depending upon when they apply. At the point at which they are no longer exempt in whole, the local assessor will be required to make a property tax adjustment. Then they will need to look at whether this change in the real market value of the property will affect any change on the assessed value of the property on which the taxpayer is taxed.

It appears that any egg processing equipment, that increases energy efficient in any way, would be eligible for tax exemption under your other bill today, HB 3125 for 5 years, and then under this bill for additional years.

Similarly a new home or commercial space with energy efficiency or renewable energy production equipment would potentially get a property tax break. Though given the distance between real market value that this bill addresses, and assessed value upon which property taxes are paid, may mean this legislation is of value or meaningless, depending upon the circumstance of any particular piece of property.

If you think the public should increase its subsidies for these enhancements, do it 100% with your own funds, as a budget item rather than this way, which provides a blind eye to its costs, not just to local jurisdiction, but also to the inherent reduction of funds for the school funding formula.

We read the bills and follow the money