



# POLK COUNTY

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ASSESSOR'S OFFICE  
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Date: June 1, 2015  
To: Senator Boquist and Members of SB 938 Work Group  
From: Douglas Schmidt  
Subject: -1 Amendment to SB 938

Senator Boquist, thank you for the opportunity to provide input on the revisions to this bill. During the work group meeting, I raised several concerns about the administration and implementation of the bill as written. I will outline some of these issues and their resolution or lack of resolution with the -1 Amendment.

**Question 1.** Is the exemption for just the jurisdiction or all districts.

Answer: Section 1(4)(a)(b) says it can be for just the jurisdiction (County or City) or all districts if more than 51% of the total tax rate districts approve. The -1 Amendment leaves in that it can be a partial tax exemption for cities or counties which causes assessors concern from the administration side.

First, if only the county or city approves the exemption, it will require a new tax code area for each of those approved projects.

Second, the 51% is a very low threshold. If Salem approved this they make up 42% of the tax rate (Permanent Rate, UR, Bonds). Throw in Salem Keizer SD with 34% of the tax rate and you have a total exemption with no say by the 7 other districts. The Brownfield bill originally had 75%. During the work group, I had asked that the exemption be an all or nothing.

Assessors do not support taxation or exemptions that do not include all districts affecting a property and recommend that the exemption be on an all or nothing basis.

**Question 2.** Can the owner qualify for other programs.

Answer: Section 1(8) says no they cannot "stack" programs.

**Question 3.** Is there a deadline for adopting the ordinance or resolution for granting the 2014 or 2015 exemption.

Answer: Section 2 of the -1 Amendment does not clarify when a resolution or ordinance could be passed that would allow the exemption back to 2014 or 2015, just that the exemption can be retroactive for just those 2 years.

Assessors recommend there be a date by which the ordinance or resolution must be adopted to qualify property for the 2014 and/or 2015 exemption.

Memo SB 938-1  
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**Question 4.** Is there an Application filing deadline.

Answer: Section 1(6)(b) appears to set March 1 as the deadline.

**Question 5.** Is there late filing provisions.

Answer: Section 1(6)(a) lets each jurisdiction approving the ordinance or resolution to set standards for forms, information required and the fees if any for late filing. This creates a multitude of requirements, forms, fees and filing deadlines that could be project specific and may not even jurisdiction specific.

Assessors do not support this concept of each jurisdiction setting standards for forms, information needed, late filing dates and late filing fees. Assessors recommend that Department of Revenue develop rules that identify the form and information needed on the form to apply for the exemption. Assessors also recommend that wording similar to ORS 307.162 that spells out late filing provisions, dates and fees be used instead of letting these issues be determined by each jurisdiction.

**Question 6.** The assessor had to approve the application as submitted without any authority to deny it.

Answer: Section 1(7)(a) says the assessor shall reject an application if it doesn't meet the requirements.

The assessor can now reject, or deny, an application, but there are no appeal rights for the taxpayer.

Assessors recommend there be provision made to allow the taxpayer to appeal the denial of the application similar to those rights identified in ORS 305.275 and ORS 305.280.

**Question 7.** Will interest be paid on refunds for 2014 and 2015 taxes paid.

Answer: It is unclear in Section 2 where it talks about years 2014 and 2015 if it waives the interest on any taxes already paid.

Assessors do not agree with the -1 amendment if it requires interest to be paid on taxes when the refund is required by a retroactive legislative action.

**Question 8.** Can an ordinance or resolution be passed for individual projects with requirements different from other ordinances or resolutions.

Answer. Section 1 (10)(a) allows a city or county to adopt ordinances and resolutions changing or terminating the exemption, except for properties currently receiving the exemption.

Assessors do not agree with the ability to have differing requirements and standards for individual projects or properties, some of them even within the same year. From an implementation and administration position this adds multiple levels of complexity including years of exemption, percentage of exemption per year, late filing provisions, fees, etc.

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**Question 8. – continued**

Assessors recommend that this exemption program have standardized requirements that are consistent from project to project and year to year.

**Question 9.** When must an ordinance or resolution be adopted for a property to be able to apply for an exemption.

Answer. Section 2 (2)(b) would appear to say that the ordinance or resolution must be adopted before or in the tax year for which the exemption is requested (cannot be after the exemption tax year requested). This would allow an ordinance or resolution to be adopted in June of a tax year and have the exemption be approved for the tax year effective back to July (June 20, 2016 resolution adopted which would then be effective for projects in the July 1, 2015 to June 30, 2016 tax year). This would require a refund of any taxes paid for that tax year.

Assessors recommend that ordinances and resolutions be adopted prior to the Assessment Date (January 1) for the upcoming tax year (July 1 to June 30).

**Conclusion:**

Senator Boquist and members of SB 938 Work Group. Assessors believe there are still implementation and administration issues with this bill that will create complexity in its administration and additional work for staff.

Assessors again recommend that instead of creating a new complex exemption program, that in future legislative sessions the existing Enterprise Zone laws be examined and possibly modified to incorporate some of the provisions of this bill.