

February 16, 2016

Senator Mark Hass - Chair
Senate Committee on Finance & Revenue
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

Chair Hass & Members of the Committee:

The Special Districts Association of Oregon (SDAO) represents approximately 950 single service districts from across the state providing several essential services to their citizens. Our members include water supply districts, sanitary districts, fire, irrigation districts, library, and parks and recreation districts to name a few. Although the intent behind SB 1545 is commendable SDAO opposes the bill for several reasons.

At the outset, we are concerned that SB 1545 will result in the duplication of existing services and programs that provided to this population after regular school hours. For example, Tualatin Hills Parks and Recreation District averages 3,534 participants in their after school programs (3:00 pm to generally 6:00 or 7:00) each week. City, county and district library systems throughout the state provide a variety of after school offerings. Furthermore, several school districts and individual schools provide programs for children after regular school hours. Thus, many of the services proposed under SB 1545 can already be provided by existing taxing entities.

Another significant problem with the bill centers on compression. As you are acutely aware, Oregon's property tax system limits the general government side to \$10 per \$1,000 of a property's real market value (RMV) and \$5 to education. As a result, depending on what service or services are provided the permanent rate funding these services would compete with the permanent rates of other general governmental bodies and or the education side. Needless to say being forced to reduce services to citizens of one general governmental body in order to accommodate a newly established taxing entity could reduce critical and essential services to all. Furthermore, if compression occurs on the education side likely results in the state having to make up that loss through Oregon school funding formula.

Because the definition of children's services is so broad it will likely create confusion. As a result, it is likely each county assessor will need to conduct a review of each program in order to properly categorized them under the general government or education categories under Measure 5.

In conclusion, SB 1545 is duplicative, could exacerbate compression for general government and/or schools, will further complicate our existing property tax system, place a burden on assessors and could result in litigation based on how expended funds are categorized under Measure 5, amongst other concerns.

We stand ready to discuss opportunities we can pursue to create and expand the existing services we collectively provide to children for after school enrichment. However, SB 1545 is not the vehicle by-which to achieve that outcome.

Thank you for your consideration.

Best regards.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Landauer', with a long horizontal flourish extending to the right.

Mark Landauer
Special Districts Association of Oregon
Government Affairs