



POLK COUNTY

POLK COUNTY COURTHOUSE ★ OFFICE: 503-623-8391 ★ FAX: 503-831-3015
DALLAS, OREGON 97338-3180

ASSESSOR'S OFFICE

DOUGLAS SCHMIDT
Assessor

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Senate Committee on Veterans and Emergency Preparedness

SB 694

Chair Boquist, members of the committee, thank you for allowing me to testify today. My name is Douglas Schmidt and I am the Polk County Assessor. I am testifying today as the Polk County Assessor. The Oregon State Association of County Assessors (OSACA) has informally discussed this bill and are **Neutral but with concerns**, but at this time, I do not have their permission to testify for the association.

Veterans in Oregon deserve our respect and support. This session there have been bills submitted to exempt up to \$250,000 of the value of the home of a military member killed while on active duty, a county permissive bill that would allow discretion from the county on exemptions for veterans and this bill that increases the statutory amount of exemptions for disabled veterans.

From an implementation and administration position, the increase in the exemption amounts in SB 694 do not cause any significant issues for me or other assessors.

My concern today is how I present information and data for the committee to consider without appearing to be anti-veteran. I am not anti-veteran and assessors are not. I am a veteran, my father was a proud flag flying veteran of World War II and my uncles are veterans.

The issue of revenue impact is not just a veteran's benefit issue, but a tax expenditure issue in general and how those expenditures impact taxing districts, including counties and my office. My purpose today is not to dissuade the committee from moving forward on the policy decisions in this bill, but only to inform the committee on some revenue facts.

This bill increases the statutory exemptions provided to veterans who are disabled. On average the increase is almost 3 times the current exemption amount, raising the tax exemption amount in Polk County from approximately \$350 to over \$1,000.

Some central and eastern Oregon counties have told me their median Real Market Value is at or below the new 40% disabled veteran exemption amount (\$65,000). This would create a 100% exemption for a significant number of the veterans in these counties. Revenue loss to districts in Polk County would be an additional \$650,000 from this bill and a total of \$980,000 revenue loss including the current exemptions.

So, with that said, I want to ask for clarification on Section 4.(b) where it talks about the surviving spouse. This section applies to a veteran who was 100% Veterans Administration service-connected disabled. Is it the intent of the bill for the veteran to have met that 100% disabled qualifying criteria before their death for the surviving spouse to receive the \$150,000 exemption?

It appears the way Section 4.(b) and Section 3.(b) are written, a surviving spouse could qualify for either exemption amount. I think the issue is the law originally had a distinction only between service-connected and non-service-connected disabilities. With this bill there are now 2 levels of service-connected exemption amounts.

Thank you. If you have any questions I will try and answer them.