

February 28, 2017

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 123 is commendable SDAO opposes the bill for several reasons.

At the outset, we are concerned that SB 123 will result in the duplication of existing services and programs that are provided to this population after regular school hours. For example, Tualatin Hills Parks and Recreation District averages 3,590 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 123 can already be provided by existing taxing entities.

Furthermore, 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.

Another significant problem with the bill centers on compression. As you know better than most 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 they would compete with the permanent rates of other general governmental bodies and or the education side during compression. 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 result in the reduction of essential services to all.

In conclusion, SB 123 is duplicative, will further complicate our existing property tax system, could exacerbate compression for general government and/or schools, 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 123 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