



POLK COUNTY

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

ASSESSOR'S OFFICE

DOUGLAS SCHMIDT
Assessor

March 6, 2017
House Committee on Revenue
HB 2115

Chair Barnhart, members of the committee, thank you for allowing me to submit testimony today. My name is Douglas Schmidt and I am the Polk County Assessor. My testimony today is on behalf of the Oregon State Association of County Assessors (OSACA). At this time, OCACA is Neutral on HB 2115.

At a statewide meeting in October 2016, OSACA developed and approved our Position Paper concerning hospital and medical clinic property tax legislation. OSACA has no position on what the policy should be, whether a property is taxable or exempt is strictly a matter of Legislative policy. OSACA is looking for clarity, a Clear Bright Line, of legislative policy and qualifying criteria for what properties should be taxable and what properties should be exempt from property taxation.

OSACA believes clearly identified policy, intent and qualifying criteria of whatever legislation you approve during the 2017 Legislative Session will allow Assessors to uniformly, efficiently and effectively administer that policy on a statewide basis.

To this end, we believe HB 2115 is a first step in providing Assessors with qualifying criteria. What we do not have yet with this bill is clearly identified policy, intent or qualifying criteria. An example of a lack of clarity is the definition of Health System on page 1, lines 8 and 9. This definition appears to now allow property tax exemption to any facility or property owned by the system as long as the system has one hospital. This would continue the practice currently being employed by hospitals of purchasing for-profit clinics and without any changes in operations, immediately asking to have those clinics exempt. If that is the intent of the legislation, assessors are fine with that, as long as it is clearly defined.

On page 6, lines 40 and 41 and page 8, lines 12 and 13, it appears this organization could apply for exemption under ORS 307.130 and Section 1 of this bill if denied under either one of the statutes.

OSACA appreciates this first step in trying to clarify the policy, intent and criteria for hospitals to determine whether they are taxable or exempt.

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