



POLK COUNTY

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March 20, 2017
House Committee on Revenue
HB 2088

Chair Barnhart, members of the committee, my name is Douglas Schmidt and I am the Polk County Assessor testifying on behalf of the Oregon State Association of County Assessors (OSACA). At this time, OSACA is **Opposed** to HB 2088.

HB 2088 would allow a city to identify the “area” for calculation of the Changed Property Ratio (CPR) as the city boundary. The CPR is used only to set the Maximum Assessed Value (MAV) for all new property in the county. The CPR is not used to adjust existing Assessed Value each year. Concerns assessors have are:

- There is no time period specified for when the city must pass the ordinance or resolution. The CPR calculations are the last calculation we do in early September to determine values, tax rates and taxes. Any resolution must be done early in the assessment year.
- Property tax reform testimony this session has based the need for reform of the current system on the tax inequity from taxpayer to taxpayer and the systems complexity. This bill does nothing to resolve those issues but instead makes it worse.
- County computer systems cannot do these calculations and would require reprogramming. Whether it is the software company paying or the county paying, there is still a cost.
- There is no prohibition in the bill that would keep a city from going from the area is the city, back to the area is the county, and back to the area is the city when it is to their benefit.
- There will be significantly more CPR's to track, maintain and explain to taxpayers.
 - o Currently counties calculate and track 9 CPR's;
 - Residential
 - Commercial/County Industrial
 - State Industrial
 - Rural
 - Farm
 - Timber
 - Apartments
 - Manufactured Structures
 - Industrial Machinery and Equipment
 - o Polk County has 6 cities, this could mean an additional 54 CPR's

- There will still be inequity between taxpayers Assessed Values;
 - o Cities with common boundaries will have different Assessed Values for similar properties.
 - o Properties that border the city or county property line will have different Assessed Values for similar properties.
- Cities that cross county lines will require special calculations.
- This does not affect just residential property but all property. Has there been an analysis done to identify the impacts of the differing property CPR changes in overall revenue within the “area”.
- It is not clear whether the values used in the city CPR calculations would be excluded from the CPR calculations for the county or the remaining cities.

For these reasons, OSACA asks the committee to not move this bill forward.

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