

COOS COUNTY ASSESSOR'S OFFICE

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STEVE JANSEN, ASSESSOR

April 4, 2017

The Honorable Phil Barnhart, Chair,

[House Committee On Revenue](#)

900 Court Street NE

Salem, OR 97301

Routed to: lro.exhibits@oregonlegislature.gov

RE: HB 2363- Relating to the withholding from taxing districts costs to county of assessing property and collecting property taxes (Sponsors: Rep. Wilson, Rep. DB Smith, and Rep. Esquivel)

Dear [Representative Barnhart](#), Vice-Chairs Bentz and Smith Warner, and Members Buehler, Hernandez, Johnson, Marsh, Nosse, and Smith,

The County Assessors of western and southern Oregon counties sincerely request your support to re-establish stable, adequate funding to enable accurate and timely Assessment and Taxation (A&T) functions. In many timber-harvesting counties today, available funding is insufficient for what Oregon statutes REQUIRE of A&T.

Two main factors have brought us to today's A&T funding dilemma:

- Measure 50, and
- Dramatically reduced timber harvests.

The intended benefit of Measure 50 was to introduce stability into the amount of tax that property owners could reasonably plan to pay year over year, as well as to stabilize the amount of property tax that schools, cities, counties, and taxing districts could reasonably expect to receive for their annual budgets. A fundamental part of instituting the M50 process was to 'freeze' the permanent tax rate for those tax recipients -county governments among them.

At the time M50 was implemented, many forest-rich counties enjoyed robust income from timber harvest taxes; a frozen permanent property tax rate was of little consequence. Currently, federal timber harvest revenues are one-tenth to one-eighth of what we received when M50 was implemented. The Federal Government (primarily the US Forest Service and Bureau of Land Management) –NOT THE COUNTIES– controls the size, scope and location of most timber harvests and resultant timber harvest tax revenue.

As timber harvest revenues have shrunk, all city and county budgets were forced to shrink as well.

The shrinking overall “tax pie” squeezes all property tax-derived budgets: schools, cities, ports, etc., with our (Assessors’) biggest concern being county General Fund budgets: the CURRENT source of A&T funding. Other county General Fund recipients are also well into disastrous financial straits: law enforcement and jails, roads, etc. As county General Funds shrink, so do A&T budgets.

The common denominator of ALL property tax-derived income is that it all begins with each county’s A&T function. Regardless of timber harvest taxes, County A&T is the “rainmaker” for ALL property tax-derived income.

Without sufficient A&T funding, the accuracy and integrity of existing assessment values cannot be kept up to date: real property additions are left undiscovered, required reductions/corrections are not made, recorded, properly valued, assessed, or taxed. Without fully-functioning A&T DEPARTMENTS, the source of those tax distributions is severely harmed.

Stable funding will help maintain experienced A&T staffing, enhance accurate, timely, and reliable assessment values, improve fairness to taxpayers and provide better income predictability to taxing districts. With the funding provided in HB 2363, it is possible –in fact, even likely- that taxable values in districts could increase. That would, in turn, further raise the revenue to districts, offsetting some of the 2% revenue withheld. HB 2363 simply spreads the cost burden proportionally among all the recipient districts.

ALL RECIPIENT tax districts should share in the expense of A&T. It should not fall on only one: the general fund of the county.

We ask for your support for HB 2363.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Jansen", with a long horizontal line extending to the right.

Steve Jansen, Coos County Assessor,
Chair, OSACA District 1

On behalf of:

Dave Arrasmith, Jackson County Assessor,
Mike Cowles, Lane County Assessor,
Hollie Griffith, Klamath County Chief Deputy Assessor,
Roger Hartman, Douglas County Assessor,
Jim Kolen, Curry County Assessor,
Connie Roach, Josephine County Assessor

