



CURRY COUNTY ASSESSOR/TAX COLLECTOR

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MACK ARCH ON THE CURRY COAST

April 4, 2017

The Honorable Phil Barnhart,
Chair, House Committee On Revenue

Re: Testimony on HB 2363 County Property Tax Collections (Sponsors: Rep. Wilson, Rep. DB Smith and Rep. Esquivel)

Dear Chair Barnhart, Vice-Chairs Bentz and Smith Warner and Members Buehler, Hernandez, Johnson Marsh, Nosse and Smith,

This morning I traveled five hours from Gold Beach and I thank you for this opportunity to share my testimony regarding the Tax District Cost Sharing/Recovery Bill, HB 2363.

Counties such as Curry are not funding their Assessment and Tax Collection departments at a level that adequately provides accurate and equitable tax collections for taxing districts.

- Prior to property tax measures 5 and 50 counties were on six year reappraisal cycles
- Six year cycle allowed counties to remain relatively current with property inventories and other changes that occur on properties
- Since 5 and 50 counties have suffered reduced tax receipts
- In addition O&C counties have lost timber and safety net payments which many relied upon in place of property taxes

The result is that many counties have fallen way behind in cyclical reappraisals.

- Curry County reappraised approximately 750 properties per year over the last five years
- We are currently visiting properties we have not visited in almost 20 years

Most counties have the resource to appraise new construction and other permitted property/zone changes. Building permits and other development notifications are the discovery tools that alert assessors to changes that may be occurring on properties.

- In 2016-17 Curry added \$21.7 million in assessed/taxable value (AV) to the tax roll due to permitted property changes and new construction
- \$21.7 million = overall 0.8% AV increase to total County AV

Many property owners make changes without building permits

- Changes such as paved driveways, decks or small sheds may not require permits
- Changes such as converting garages or porches to living area, new garages, houses or barns do require permits

Over the last five years Curry has reappraised almost 4,000 properties. On some of those properties we discovered a total of approximately \$14.5 million AV in unpermitted property changes.

- In 2016-17 \$14.5 million AV generated approximately **\$128,000** in new property tax receipts
- **Schools - \$73,200**
- **Other Dist. – \$46,500**
- **County - \$8,300**

If extrapolated over the entire county a timely reappraisal effort might be expected to increase AV and tax revenues by 3% or more and help insure that all property owners pay their fair, but only their fair share of property taxes. A 3% revenue would more than pay for the 2% Tax District Cost Sharing/Recovery ask in HB 2363.

- 3% property tax revenue increase total **\$750,000**
- **2% Tax District Cost Sharing/Recovery = \$500,000**
- **1% additional revenues to districts = \$250,000**

Since 2006 Curry County has provided inadequate funding for A&T and the program has suffered. In a letter from the Oregon Department of Revenue Property tax Division (DOR) dated June 15, 2016 the DOR says: *"...we are very concerned about the level of funding in Curry County's A&T budget for 2016-17. We believe the level of resources budgeted will very likely lead to a deterioration in the quality of tax roll values... We are concerned, however, that this level of funding commitment is not sufficient to ensure the viability of the A&T program over the long term..."*

I respectfully request that this committee consider approving of HB 2363 or any other A&T funding stabilization measure that may come before you.

The following are a few examples of properties where there were either no or inadequate permits taken on properties:

Respectfully submitted,

Jim Kolen
Curry County Assessor and Tax Collector