



POLK COUNTY

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ASSESSOR'S OFFICE

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Assessor

April 6, 2017
House Committee on Revenue
HB 2363

Chair Barnhart, members of the committee, my name is Douglas Schmidt. I am the Polk County Assessor testifying on behalf of the Oregon State Association of County Assessors (OSACA). At this time, OSACA is Neutral on HB 2363.

Today, you may hear or have already heard other assessors testifying in favor of HB 2363. The Assessors Association has had many discussions on this bill with various opinions. As an association we are Neutral on HB 2363, but we will not stand in the way of Assessors who believe there is a critical need for this bill.

OSACA also believes there is a need for stable and consistent funding for the Assessment and Taxation program and especially in counties affected by the property tax limitation Measures 5 and 50. Is this bill the answer, it could be. Are there additional options, possibly. The inability of a county or assessor to adequately fund the Assessment and Taxation function is not an indication of bad management or even an allocation of resources, it is a function of the tax laws we operate under.

When the timber payments went away, some counties were left with permanent rates of less than \$1.00 per thousand of assessed value where in prior years with the timber payments they could have had funding that was the equivalent of \$2.00 or \$3.00 dollars per thousand of assessed value or even more. Of the \$.50 to \$1.00 funding these counties currently get from their permanent rate, the Assessor's Office may only get 10% to 15% of that. These counties have been trying to hold their assessment and taxation programs together with pennies on the dollar of what is needed to perform the function.

As you heard in the testimony during the Informational Meeting on Assessment and Taxation funding, counties receive funding from CAFFA to help fund the statewide Assessment and Taxation program. This grant was originally intended to fund about 35% of a counties Assessment and Taxation program. It is now funding about 20% of the cost. (LRO 11/19/2015 – House Interim Committee on Revenue)

These grants are made up primarily of specific delinquent interest that is collected and a recording fee on documents. None of these have been indexed or increased since their inception. In fact funding through the Department of Revenue has been reduced. At the start of the Great Recession, \$5,000,000 of General Fund monies the Department of

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Revenue allocated to counties each biennium for Assessment and Taxation was removed, further reducing funding for Assessment and Taxation.

Almost every legislative session we see more and more work asked of assessor's offices with no or minimal additional funding provided. This session, there are bills that would expand the assessor's lien collection responsibility for cities trying to collect on energy efficiency loans (HB 3241 & HB 2132). Districts want to exempt more "single unit housing" for low income families (HB 2964 & SB 827).

There are seismic upgrade bills (SB 311 and HB 2932) being supported by cities that will require assessors to track upgrade costs against the tax exemption. Cities are asking to have their city boundary be the "area" for the Changed Property Ratio (HB 2088). Districts are asking to collect taxes on exempt property (HB 2470 and SB 118) and to be allowed to reduce the assessed value on property (HB 2978). None of these bills have any revenue offset or funding mechanism for Assessment and Taxation.

Senior Citizen advocates want to "freeze" the taxes on senior's homes (SB 700, HB 2426 and HB 2384). Veteran's advocates want to exempt more value from veteran's houses (HB 2235, SB 562 and SB 694). Cannabis, beer and liquor equipment could be exempt as food processing equipment (HB 2151). We will have to send out additional forms for Business Personal Property reporting (HB 2573).

Assessors levy and collect fees for the Oregon Department of Forestry, but a few years ago when assessors asked them to pay an administration fee through a bill we requested, we were shut down.

When counties asked the legislature several years ago for an increase in the recording fee for CAFFA, we were shuffled down by affordable housing advocates because they wanted a recording fee to fund affordable housing. Now affordable housing advocates are asking for the recording fee to increase from \$20.00 per recording to \$40.00 (HB 3357).

Taxing districts feel, maybe rightly so, if a county can't get a local option levy passed to provide more services to the taxpayers, why should the districts pay 2% of their revenue to fund Assessment and Taxation.

Instead, assessors are asking that counties, cities and districts work with assessors to find a resolution to this problem. Improperly staffed Assessors Offices could have an impact on all districts, not just the county.

If you have questions I will try and answer them.