



POLK COUNTY

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

ASSESSOR'S OFFICE
DOUGLAS SCHMIDT
Assessor

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House Committee on Human Services and Housing
HB 2377

Chair Keny-Guyer, 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 Neutral on HB 2377 but with some major concerns.

HB 2377 is a multi part bill that appears to create two new exemptions and new overly complex qualification criteria for low income persons. There are already statutes in place that address rehabilitation and construction of multifamily low income housing (ORS 307.600 and 307.841(HB 2733 and SB 310)). There are also statutes in place that deal with rehabilitation and constructions of single family low income housing (ORS 307.651 (HB 2964 and SB 827)). Is there a need for new even more complex statutes to deal with this issue or should the existing statutes be amended?

OSACA has the following concerns and questions on HB 2377.

- Section 1. (5)(a) page 2 lines 4 to 8. In most cases, if the city and school district agree to the exemption, their rates are close to or over the 51%. Some new exemptions require a 75% approval.

Suggestion: Exclude school districts from the 51% or make the threshold 75%.

- Section 2. (2)(b)(A) page 3 lines 2 to 5 - late filing date. The governing body may get the application by December 31st with a late filing fee, but according to ORS 308.242, the assessor can only make value changes in the certified roll up to December 31. After that, changes are by order of the BOPTA Board, DOR, the courts or if it is an error or omission correction (ORS 311.205).

Suggestion: Late filed application must be to the governing body by June 1 and approval of the exemption to the assessor by July 1.

- Section 2. (4)(a) page 3 lines 28 to 30 states "Each application must include information necessary to make the determination of maximum monthly rents required under section 3 of this 2017 Act with respect to the qualified property." But Section 3. (1) page 3 lines 43 to 45 states "the assessor of the county in

which the eligible rental property is locate shall fist determine the average annual per capita income and the annual median household income in the county;” etc. etc. Assessors do not have the data to do the calculations in section 3 and assessors do not do these calculations.

Suggestion: The governing body has access to all the rent qualifying information and must do all the calculations and yearly notifications in Section 3 as part of the application approval and annual qualification process. The governing body would let the assessor know each year if the property is exempt.

Suggestion: Clarify if there is a difference in rent between different units. Is a one bedroom unit the same rent as a 4 bedroom unit.

Suggestion: Use established criteria for qualifying low income persons and low income rents.

- Is there any mechanism for “claw back” of taxes if the property owner does not keep the rents where they should be? How will the governing body let the assessor know if the property does not meet the ordinance or resolution requirements and must be disqualified?
- Section 5. (1) page 4 lines 21 and 22 define eligible costs as “costs of acquisition other than the costs of acquiring land, finance costs, permit costs construction costs and rehabilitation costs.” The tax credit is based on newly rehabilitated or constructed single family dwellings, but construction costs and rehabilitation costs appear to be excluded as cost to which the credit will apply (Section 5. (4)(a) page 4 line 32.)

Suggestion: Language may need to be clearer.

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