



Marion County

OREGON

ASSESSOR'S OFFICE

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Senate Committee on Finance and Revenue - SB 535

Chair Hass, members of the committee, I'm Tom Rohlffing, Marion County Assessor. Today I am here to represent the Oregon State Association of County Assessor's (OSACA). At this time, OSACA has chosen to Oppose SB 535.

I do understand that Assessor's value estimates are considered for many valuation purposes other than property taxes. However, applying this statute on faith that the values are accurate would not be considering the most important step in the valuation process. The test for reasonableness. Is the conclusion reasonable?

Let me give you a couple of examples for perspective...

Have you ever seen a fence that you believed was worth a million dollars? ...Neither have I. I have seen a million dollar fence in our assessment data. Data entry mistakes can happen. In mass appraisal big mistakes can be made. We have processes to look for mistakes, big changes, and errors. In addition there is opportunity to review assessed values and an appeals process to dispute these values.

Let's do a mathematical example to show why an Assessor's estimated real market value may be too high:

\$20,000 MAV (measure 50 maximum assessed value)
\$500,000 RMV (Assessor's estimated real market value)
\$100,000 RMV (property owner's opinion of real market value)

The court would not typically even hear an appeal of the value of this property since the owner is not aggrieved. A reduction to the owner's opinion of value would not result in a change in their tax bill. An artificially high RMV could remain on the tax roll for years and would not be a reasonable basis for settling a condemnation.

Appraisals are supposed to have certain things and meet specific standards. Every appraisal should have a stated purpose, the date of the valuation, and should follow uniform standards of professional appraisal practice (USPAP). The purpose, standards and licensing requirements for mass appraisal are very different from an appraisal for a transaction or lending.

Assessors oppose this bill because:

- The purpose of our appraisals are different.
- Not every property is inspected each year.
- The valuation dates of our appraisals are different.
- Assessor's RMV's are determined from mass appraisal models and statistical analysis. Some counties are adjusting RMV based on annual statistical trending of data that could be 10 or more years old.

- Our values do not represent the property before condemnation and after a condemnation.
- Assessor's should not be estimating values for condemnation or defending values for condemnation. It is not our purpose and we are not necessarily licensed to perform those valuations.
- It would be reasonable to look at assessed values and values from other private party sources when considering a transaction. These information sources could be useful for negotiation purposes, however, I would not recommend using these values as the only basis for valuing the transaction.

Additionally, if I have not been convincing enough and you think it would be useful, I would be happy to discuss with you my perspective in the most common of right of way takings.

The Oregon State Association of County Assessors respectfully asks this committee to not move this bill forward.