POLK COUNTY

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ASSESSOR'S OFFICE

DOUGLAS SCHMIDT
Assessor

March 20, 2017
House Committee on Revenue
HB 2384

Chair <u>Barnhart</u>, members of the committee, my name is Douglas Schmidt and I am the Polk County Assessor testifying today on behalf of The Oregon State Association of County Assessors (OSACA). At this time, OSACA is **<u>Opposed</u>** to HB 2384

Assessors believe there are Seniors in this state in need of assistance with their property taxes, however, as the bill is currently written, Assessors have the following concerns:
- Taxes are frozen based on the taxes prior to the application being filed. Any taxes in excess of the frozen taxes are "abated".
    o Assessors have no current mechanism to "abate" an overage of calculated taxes.
    o Assessors have no mechanism to freeze the taxes on an account.
    o It appears this would be a double calculation on each qualified property, one for compression and one for the frozen taxes.
- The frozen taxes are based on a homestead of up to 10 acres.
    o Assessors do not have accounts broken out in this way.
    o This would require assessors to do a manual calculation to determine the taxes on the 10 acre homestead.
    o The 10 acre homestead could create an exemption on income producing property.
    o For property greater than 10 acres, assessors would have to somehow split the taxes to identify which taxes are frozen.
- Areas of the state with a high population of Seniors could see a disproportionate revenue impact.
- The frozen tax amount can be transferred to a new home every 3 years.
    o This will impact the revenue of districts as a Senior moves.
- Assessors will have no way to calculate the tax rates for bond payments.
    o Bond rates are calculated based on the Assessed Value within a district.
    o Freezing the taxes will not collect all of the bond taxes that were levied.
- While this is a policy decision, there is no criteria for defining "fixed income".

For these reasons, we ask the committee not to move this bill forward.

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