



Clackamas County Pomona Grange

May 8, 2017

Chair Barnhart and members of the Revenue Committee,

My name is Ed Luttrell and I am the elected President of the Clackamas County Pomona Grange. The Clackamas Pomona Grange is made up of the members of the 16 Community Granges in Clackamas County and has existed since 1877. The members of the Clackamas County Pomona Grange are opposed to SB 181A.

It is our view that this bill is unnecessary as the community groups that are currently exempt from property taxes are providing much more benefit to the communities they serve than most citizens realize. These groups are locally controlled, managed, and operated by volunteers. These organizations are already required to report to the IRS, the Secretary of State Corporation Division, and depending upon their activities, other governmental agencies. Creating additional and unnecessary bureaucratic reporting requirements does not benefit our communities in Oregon.

In addition, the county assessors already have the authority to ensure that the current statute is enforced. The information can be gathered from other governmental bodies and if not, this legislative assembly may grant them this common-sense authority. Assessors have the power to audit all or a portion of the organizations to ensure compliance with the current law and many have exercised this authority.

Instituting additional reporting requirements and punishing late reports by volunteers with the loss of the property tax exemption seems excessive to us. Not only may any error by these volunteers cause the loss of the property tax, the punishment may potentially include up to five years of taxes and interest. If this punishment is levied against the average community organization, it will likely financially end the viability of that organization.

Oregon's statutory property tax exemption has allowed organizations to put their fund-raising efforts toward serving their community rather than raising funds for tax purposes. Untold students have received scholarships to aid in their education, many valuable services to seniors are provided, and a variety of problems in Oregon's communities are addressed with no cost to our State or County governments. In addition, members of non-profit organizations, such as the Grange, tend to be property owners who are already paying property taxes and simply desire to provide service back to their communities and make life better for others through these organizations.

Many other organizations, such as 4-H, Scouts, and churches are dependent upon the buildings and property operated under the current statute for meetings and events. In addition, many family's hold reunions, weddings, and funerals at these facilities due to their affordability. Many of these buildings are in rural areas where there are few alternatives to serve as community gathering places.

These volunteer-based organizations are not only a part of the rich historical heritage of Oregon, but continue to develop leaders, serve their fellow citizens, and fill critical niches in our communities.

Some of Oregon's largest and financially most successful organizations are classed as art museums, history museums, science museums or rehabilitation facilities; which are excluded from the requirements and penalties of this bill as non-reporting organizations. In real terms the organizations

with professional staffing and which are in the best position to undertake additional reporting requirements are exempt from the penalties described in SB 181A as they are not required to report.

According to the fiscal report this bill will cost the County Assessors additional monies to deal with the required forms. If this legislative assembly expects that the volunteer-based organizations will make no errors; this is a bill that mandates additional cost to the operation of each County. If this Assembly expects that volunteer based organizations will make occasional errors this bill will create the punishment of adding the currently tax exempt properties of local organizations which serve the communities of Oregon with charitable work, onto the property tax rolls.

We believe that it will not benefit Oregon's citizens and communities by adding additional reporting requirements, or potentially removing the property tax exemption from the non-profit organizations for simple errors in filing reports. We urge you to reject SB 181A.

Sincerely Yours,

A handwritten signature in blue ink that reads "Edward L. Luttrell". The signature is fluid and cursive, with the first name "Edward" being the most prominent part.

Edward L. Luttrell, President
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