

Testimony of Tom Ware, COO

Southern Oregon Goodwill

SB181

May 8, 2017

House Committee on Revenue

Southern Oregon Goodwill opposes the passage of SB181.

Southern Oregon Goodwill is a registered 501(c) (3) nonprofit organization that does important work in Douglas County, Josephine County, Klamath County, Lake County and Jackson County.

Southern Oregon Goodwill's Mission is to enable employment by providing opportunities for personal and professional growth; we have been doing this since 1967. We provide vocational training for persons with moderate to severe barriers to employment, as well as employ over 300 people in our several counties to carry out this mission.

We do not believe it is in the best interest of the government or the people of Oregon to ask nonprofits to provide annual reporting that will determine property tax exemption status and potentially harm the important work they do in our community. Charitable nonprofits should only need to file their paperwork with the government at the time they seek their charitable property tax exemption and should not be put in the position of defending their charitability every year so that tax assessors can interpret the current laws differently depending on the financial position of the county or state.

If the existing law is too vague for County Tax Assessors to make accurate determinations, the legislature should first clarify the existing statute on what qualifies for property tax exemption status, before passing new burdensome requirements for nonprofits.

Creating or clarifying these "bright lines" is essential to the new reporting regime proposed for SB181 to be successful. Our belief is that the cart is in front of the horse on this issue. SB181 is creating a new reporting requirement that will leave the statute unclear and individual county tax assessors will continue to interpret that statute using their own ideas of eligibility. Even the Legislative Revenue Office suggested the creation of bright lines in their recent report on the issue in Section VIII – Nonprofit Reporting and "Bright Lines."

We believe the result of passing SB181 without first clarifying the bright lines will create massive confusion between nonprofits and tax assessors, overwhelm both of them and

inadvertently cause nonprofits to lose their tax exempt status based on interpretations that may not be fair, valid or are inconsistent.

It is for these reasons that we ask this committee to vote against the passage of SB181.

A handwritten signature in black ink, appearing to read "Tom Ware", is written over a solid horizontal line.

Tom Ware
Southern Oregon Goodwill Industries
COO