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Oregon Public Broadcasting

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Members of the House Committee on Revenue:

Thank you for this opportunity to comment on SB 181, which would require certain institutions seeking property tax exemption to file information returns regarding the basis for their exemption claim.

Proposed Law

SB 181 adds an annual information reporting requirement for certain entities that claim exemption under ORS 307.130, and imposes significant penalties for filings that contain inaccurate or misleading information.

The new filings must be made with the county assessor in the county where the applicable piece of property is located. The informational return will require organization-specific information, which will likely be the same for each filing, but it will also require property-specific information, which will be different for each property.

SB 181 excludes certain entities from this new reporting requirement, specifically art museums, rehabilitation facilities, history museums, science museums, volunteer fire departments, and retail stores.

Impact on OPB

There is no shortage of publicly-available information about OPB's mission and purpose, or about how OPB uses its funds and resources. Indeed, OPB publishes an enormous amount of financial and organizational information about itself at www.opb.org/about.

OPB occupies approximately 85 sites across Oregon, with at least one potentially-taxable property in nearly every county. That's potentially 85 additional filings every year, or – if county assessors permit consolidated filings for all properties in their county – perhaps as low as 36 filings.

OPB does not currently track the property-specific information required for the information return, and it would be extraordinarily burdensome to begin doing so.

Among other things, for each of its approximately 85 properties, OPB would be required to report how many days the property was "used for a purpose unrelated to the organization's charitable object." SB 181 provides no guidance on this point.

What qualifies as an unrelated purpose that must be reported? Does the entire property, or just a portion, need to be used for an unrelated purpose before that use must be reported? If we rent out a radio studio in our Portland headquarters to a commercial entity, is that an unrelated purpose that must be reported? If we are co-tenants on a tower site with commercial entities, is that an unrelated purpose that must be reported? If we allow a commercial entity to lease space on an OPB equipment rack in an OPB-owned building on property leased from the Forest Service, is that an unrelated purpose that must be reported? If that tenant then subleases that space to a nonprofit or state entity, does that change OPB's reporting obligation?

Solution

OPB is seeking a small, narrowly crafted amendment that would exempt a tax-exempt public broadcasting network that serves as the Primary Entry Point for the for the national Emergency Alert System in the state of Oregon. OPB is the only entity that would fall under this criteria and considering the important role it serves during an emergency situation, feels the request is justified.

To be clear, OPB recognizes and supports the need for state and local officials, as well as members of the public, to have accurate information regarding charitable entities claiming property tax exemption, to the extent that such reporting does not constitute an unnecessary administrative burden and contributes information not otherwise available in public records or other easily-accessible sources.

We appreciate your time and attention to this important matter.

Respectfully submitted,



Steven M. Bass
President & CEO