



Oregon State Grange

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June 1, 2017

House Committee on Revenue
Oregon House of Representatives
900 Court Street NE
Salem, Oregon 97301

Subject: Senate Bill 181A

Dear Chairman Barnhart and Members of the Committee:

Representing a statewide association with 169 chapters and more than 4,000 members across Oregon, I write to express the Grange's continuing objection to Senate Bill 181A. I ask you to please reject this bill, or at least postpone it, until sponsors work with small nonprofits to find a less onerous compromise.

We are well aware that the bill's text is directed only at ORS 307.130 literary, scientific and charitable organizations. We also are well aware that a representative for county assessors testified in the previous hearing on this bill that the bill could be expanded to other nonprofits beyond those in ORS 307.130. That alone would make us want to oppose the bill. However, there's more:

While proponents say the bill doesn't apply to the Grange because the Grange doesn't fall under ORS 307.130, our records indicate that other government officials in Oregon—specifically county assessors—feel differently. A review of our chapters' property tax exemption certificates (issued by county assessors) shows assessors granting property tax exemptions to local Granges specifically on the basis of the chapters being charitable organizations, and specifically citing "ORS 307.130" as the relevant statute.

Apart from that, most of our chapters are incorporated with the Oregon Secretary of State as "public benefit corporations," rather than "mutual benefit corporations." Considering this and the assessors' documentation, we don't see how this bill will not result in confusion and incorrect revocations and punishments if enacted.

Moreover, the bill's penalties are too severe for unintended infractions, and the bill's implementation too swift. If the bill is adopted at all, it should be phased in over a period of several years, rather just six to 12 months. At the same time, the bill should provide no punishment for losing a tax exemption, other than the loss of the exemption itself, unless fraud or deceit can be proved. (And, the burden of proof should be on the government.)

Thank you for your consideration.

Sincerely,
Craig Loughridge
Assistant Director for Governmental Affairs

