

CURRY COUNTY A&T

Non-Permitted
Improvements

COUNTIES LACK FUNDING FOR A&T

Counties such as Curry are not funding their Assessment and Tax Collection (A&T) departments at a level that adequately provides accurate and equitable tax collections for taxing districts.

- Prior to property tax measures 5 and 50 counties were on six year reappraisal cycles that allowed them to remain current with property inventories and other changes that occur
- Like many counties Curry is currently reappraising properties that have not been visited in almost 20 years.
- Since 5 & 50 districts have suffered reduced tax receipts.
- In addition O&C Counties have lost timber and safety net payments which many relied upon in place of property taxes

Many counties have the resource to appraise new construction and other permitted property/zone changes. Building permits and other development notifications are the discovery tools that alert assessors to changes that may be occurring on properties.

- In 2016-17 Curry added \$21.7 million in assessed/taxable value(AV) to the tax roll due to permitted property changes and new construction
- **\$21.7 million = overall 0.8% AV increase to total County AV**

Many property owners make changes without building permits.

- Changes such as paved driveways, decks or small sheds may not require permits
- Changes such as converting garages or porches to living area, new garages, houses or ag-buildings do require permits

Unless these changes are reported to the assessor, the only means of finding and assessing these non-permitted changes for the property tax rolls is through cyclical reappraisal.

CARPENTERVILLE RD

- Permitted as a garage



CARPENTERVILLE RD

- No permits for addition and remodel



TAX BREAKDOWN

- **Approximate Build date
2000**

Omitted Tax Liability

- **2011-16 – \$7,037.60**
 - Schools - \$3,905.60
 - Other Dist. - \$2,669.40
 - County - \$462.62

Forgone Taxes

- **2000-10 – \$14,075.20**
 - Schools - \$7,811.20
 - Other Dist. - \$5,338.80
 - County - \$925.24



HUBBARD CREEK RD

- Single Family dwelling built without any permits.



TAX BREAKDOWN

- **Approximate Build date
2000**

Omitted Tax Liability

- **2011-16 - \$4,289.79**
 - Schools - \$2,220.46
 - Other Dist. - \$1,808.51
 - County - \$260.82

Foregone Taxes

- **2000-10 - \$8,579.58**
 - Schools - \$4,440.92
 - Other Dist. - \$3,617.02
 - County - \$521.64



GENERAL AG BUILDING

- A general ag building is a type of structure that is being used for agricultural purposes, for example hay storage, or machinery storage for your ag equipment.



BYRDIES LANE

- Permitted as an ag/farm building; built as a single family dwelling.



TAX BREAKDOWN



- **Approximate Build date 2012**

- **Omitted Tax Liability**
 - **2012-16 - \$6050.00**
 - **Schools - \$3,673.34**
 - **Other Dist. - \$1,978.74**
 - **County - \$397.70**

TOTAL ASSESSED VALUE COLLECTED FOR NON-PERMITTED NEW CONSTRUCTION DURING LAST SEVEN YEARS

■ 2018	\$2,695,760
■ 2017	\$2,729,060
■ 2016	\$2,779,770
■ 2015	\$2,788,330
■ 2014	\$3,214,010
■ 2013	\$4,055,050
■ 2012	\$1,651,420
TOTAL	\$19,913,400

Note: Approximately 5,600 (28%) of Curry County's total 20,000 taxable accounts were visited to generate this total non-permitted new construction assessed value increase of \$19.9 million. Prior year AV totals have not been adjusted by the 3% per year MAV increase for the purpose of this estimate.

At Curry County's average consolidated tax rate of \$8.82/1000 AV, \$19.9 million generates approximately \$175,000 annually in property tax revenues which will increase by 3% each year, thereafter.

- Schools - \$100,100
- Other Districts - \$63,500
- County - \$11,400
- **TOTAL - \$175,000**

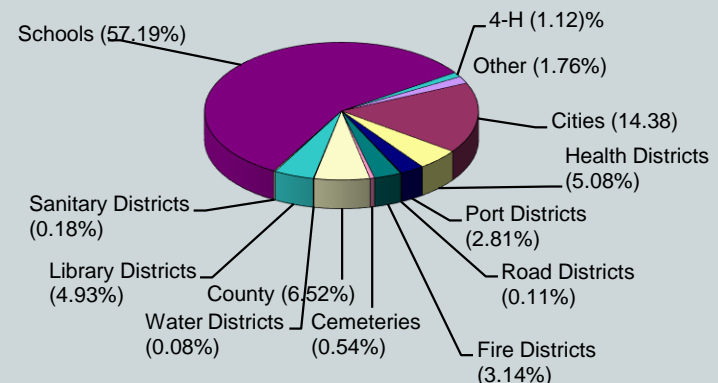
FORGONE TAXES

Calculation of FOREGONE TAX

- In 2018-19, \$19.9 million equals approximately seven tenths of one percent (0.7%) of the total assessed value of Curry County (\$3.05 billion) or a 2.5% ($0.007/0.28=0.025$) increase on the accounts that were reappraised. A County-wide AV increase of 2.5% would in turn generate a 2.5% tax revenue increase, or approximately \$692,000 for the districts. These revenues are currently foregone due to the inability of the county to adequately fund property Assessment and Tax Collection (A&T) and reappraise the entire county on a more timely basis. (FORGONE TAX estimate does not include prior years tax collected as a result of omitted property per ORS 311.216)

FOREGONE TAXES

- Schools (57%) - \$396,000
- Other Districts (36.5%) - \$251,000
- County (6.5%) - \$45,000
- Total - \$692,000



COST TO CURE

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- In 2006 Curry's staffing level for A&T was 14.3 FTE
- 2017 staffing level 7.5 FTE
- We estimate that an **additional 1.5 FTE** once trained would bring Curry from a 15-20 year reappraisal cycle to a **7-8 year reappraisal cycle**.
- The estimated **additional cost** to hire, equip and train 1.5 FTE in Curry is **\$125,000 to \$150,000 per year**.
- This additional investment in Curry's A&T function would allow for a more reasonable time period to capture the value of non-permitted property and the assessment of the property taxes that are currently foregone

HB 2383

From November 2017 through January 2018 representatives of OSACA met with LOC, SDAO, AOC, School Boards Association and DOR representatives (Group) to discuss the issue of inadequate funding in many counties for Assessment and Tax Collection (A&T) and strategies to address that issue.

The Group reached consensus on a pilot project, now **HB 2383 (Pilot)**, to begin in Curry County to provide additional funding at \$125,000 per year to employ an additional 1.5 FTE of appraisal resource to address the backlog of properties requiring reappraisal.

Curry was selected for the Pilot because the Assessor has been tracking discovery of omitted property in their limited reappraisal effort, can estimate a return on investment of a more expeditious county-wide reappraisal and would require a relatively small investment (\$125,000) to achieve significant results.

The Group felt the Pilot should contain the following elements:

- Curry County Tax Districts will share in the \$125,000 A&T investment as a percentage based upon Curry County's property tax distribution schedule
 - The State of Oregon would pay \$75,000 of the investment since almost 60% of the property tax is collected for schools in Curry County
 - The remaining non-school districts would collectively pay \$50,000
- In order to receive the funding Curry County would be prohibited from reducing the A&T budget and thereby nullifying benefit of the additional investment
- The Pilot should provide for at least seven years funding with a review and report back to the Group and Legislature to determine if the investment should be continued in future years
- The DOR will develop reporting requirements for the county for purposes of monitoring progress of the Pilot

Thank you for your consideration

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