

March 27, 2019

Chair Lively,  
Vice Chairs Bonham and Fahey, and  
Members of the House Committee on Economic Development

For the record, I am Susan Morgan, Revenue Policy Manager for the Association of Oregon Counties.

AOC represents all 36 of Oregon's Counties on many diverse issues and serves as a forum to discuss issues of importance to counties. Representing Oregon counties since 1906, the Association of Oregon Counties unites counties to advocate, communicate, and educate through information sharing and consensus development.

I am here today to speak in support of HB 2383.

As one of the timber counties, Curry has a very low tax rate, just under .60 per \$1000 of evaluation. From the 1950's through the 1980's, Curry County received funding from timber that was harvested on Federally owned timber land. Curry, and many other southwest Oregon Counties, relied on this revenue to fund county services and did not seek property tax rate increases from their citizens.

In the 1990's two things happened that drastically changed the picture for Curry, and the south west Counties. First, the listing of the spotted owl, the implementation of the Northwest Forest Plan, and the subsequent lawsuits drastically reduced the harvest on Federal lands, and drastically reduced the amount of revenue shared with counties based on timber harvest. Second, the citizens of Oregon enacted Measures 5 & 50, to control property taxes. Among other things, Measure 50 made county tax rates permanent. So, Curry found itself with very low tax rates and no timber harvest revenue.

The Federal government enacted various programs (SRS is the best known) to provide revenue from the federal treasury to mitigate for the lost timber harvest revenue. These programs were meant to be a short-term band aid, while a long-term solution was worked out. That long term solution has proven to be elusive. Over the 30 years of SRS programs, the reauthorizations have been for shorter and shorter durations, and the amount of revenue transferred to counties has become smaller and smaller. The program has officially ended.

This problem has manifested itself in many ways in Curry and the other timber counties. For the Curry County Assessor, it means that his budget is so small he can no longer assess property on a reasonable schedule and doesn't have the personnel to do field checks.

The value that is not on the tax rolls is revenue that doesn't flow to cities, sanitary, library, water, health, fire, road and port districts in Curry. It is also revenue that the state general fund needs to backfill to fund Curry County Schools.

Mr. Kolen has worked with the special districts in Curry and has come up with an innovative way to make updating the tax rolls affordable. Curry's experience in updating the rolls will also serve to inform a larger discussion around the state-wide property tax system.

AOC urges your support of the bill.