

Date: March 21, 2017
To: Senate Finance & Revenue Committee
From: The Association of Oregon Counties
Subject: Senate Bill 118

Please add to the records of the Senate Finance & Revenue Committee these comments related to Senate Bill 118, which is on the committee's agenda for public hearing on March 21, 2017.

AOC opposes Senate Bill 118

SB 118 excludes taxes imposed by school districts from property tax exemptions or special assessments requiring adoption by local governments: low-income rental housing; nonprofit corporation low-income housing; multiple unit housing; single-unit housing; rehabilitated residential property; and brownfields.

The bill provides that any of these property tax expenditures shall not apply to taxes imposed by a school district if, on or after the effective date of this Act, the statute granting the tax expenditure is first enacted, increased, or extended to a broader class of property.

SB 118 would require creation of an unknown number of new Tax Code Areas with a school district as the only local taxing district in the area. This adds another layer of complexity to an already exceedingly complex system that county assessors will need to explain and pay for. Including the brownfield property tax expenditure brings a level of complexity to administration that county assessors are not sure they can even perform.

The bigger question is why school districts should be able to opt out of statewide legislative policy decisions, even those that are authorized by local adoption, related to housing opportunities for the education of future Oregon students?

Moreover, school districts have the opportunity at the outset to participate in authorization of these locally adopted programs, each of which (with one exception) requires local taxing districts that have the combined rate of taxation equal to 51% or more on the property to agree to the property tax expenditure. The one exception, related to brownfields, has an even higher standard of agreement: 75% or more of combined rate of taxation.

Please vote no on SB 118.