



POLK COUNTY

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March 21, 2017
Senate Committee on Finance and Revenue
SB 118

Chair Hass, members of the committee, my name is Douglas Schmidt. I am the Polk County Assessor and my testimony today is on behalf of the Oregon State Association of County Assessors (OSACA). At this time, OSACA has chosen to **Oppose** SB 118.

SB 118 allows school districts to collect property taxes on exempt properties. OSACA is concerned about the complexity and difficulty in implementing and administering a bill that allows a taxing district to collect taxes on an otherwise exempt from ad valorem taxation property. OSACA's concerns are:

- Because some counties do not keep up to date Real Market Value or Assessed Value on exempt or partially exempt properties, counties will need to revalue them.
- Counties who do keep accurate Real Market Value and Assessed Value on exempt or partially exempt properties will still need to revalue them and create new Assessed Value under 308.146 (3)(e).
- Counties will now need to send Business Personal Property returns to these properties.
- This will require the creation of new Tax Code Areas that may contain only the school district and one property.
- It is not clear if the school district can collect taxes only on their permanent rate or on their bonds and/or local options.
- It is not clear whether school districts include Community College districts.
- If school districts can collect taxes are they excluded from being included in the determination of taxing districts meeting the 51% or 75% threshold?
- Section 8 could eventually allow all tax exemptions to be taxed by school districts.
- It is unclear if the implementation date in 2017 would require counties to send tax statements to the exempt property owners for the 2017-2018 tax year.
- Counties will have to do this extra work for a taxing district that will not see any increased revenue.

For these reasons, we ask the committee to not move this bill forward.

Thank you. If you have any questions I will try and answer them.