HB 2543, A-Engrossed – Multnomah County Concern

<u>Existing Bill Language – Sec. 4 (4)(c)</u>:

> "If the number of eligible claims described in paragraph (a) of this
> subsection exceeds the maximum number determined under paragraph
> (a) of this subsection, claims shall be granted in ascending order based on
> the amount of tax imposed on the homestead entered on the last certified
> assessment and tax roll until the maximum number determined under
> paragraph (a) of this subsection is reached."

<u>Concern</u>

Under this subsection, the cap on new claims is based on the amount of tax imposed. However, this measure does not recognize the reality that taxes are higher in those counties that have higher permanent tax rates and/or higher median RMVs. As a result, residents of counties with higher tax rates or higher median RMVs will receive inequitable treatment if the cap on new claims is based on the amount of tax imposed as presently set forth in the bill.

The county suggests that the RMV requirement used to determine qualification for the program should be used here as well. The RMV requirement used to determine qualification for the program normalizes RMV across all Oregon counties by looking at RMV relative to median RMV and relative to the number of years the taxpayer has lived in the home. The same normalization across counties may be employed here for purposes of limiting the number of new claims. To do this, the existing language quoted above should be amended as follows:

> If the number of eligible claims described in paragraph (a) of
> this subsection exceeds the maximum number determined under
> paragraph (a) of this subsection, claims shall be granted in ascending
> order based on the ratio of the real market value of the homestead
> entered on the last certified assessment and tax roll divided by
> applicable value in Section 3 (2) of this bill until the maximum
> number determined under paragraph (a) of this subsection is reached.