



April 4, 2017

The Honorable Phil Barnhart, Chair
House Committee on Revenue
900 Court Street, NE
Salem, OR 97301

Routed to: lro.exhibits@oregonlegislature.gov

RE: HB 2363 – Relating to the withholding from taxing districts costs to county of assessing property and collecting property taxes

Dear Chair Barnhart and Members of the Committee:

The City of Eugene opposes House Bill 2363 and the withholding of property taxes from taxing jurisdictions. The City of Eugene recognizes the importance of county assessors and the need for adequate funding for property tax assessment and collection. However, the provisions in HB 2363 would reduce city and school district revenues and services, without providing a commensurate incentive to maximize efficiency and control costs by county assessors. When fully phased in, the bill could reduce Eugene's property tax revenues by an estimated \$2 million a year. Eugene's foregone revenue combined with tax dollars from more than 80 taxing jurisdictions throughout Lane County could allow the Lane County's Assessment and Taxation function to more than double without providing any incentive to control costs.

Property tax assessment, collection and administration are necessary functions to receive revenue, but the costs of administering this tax must be controlled so that the maximum amount of tax dollars are utilized for services to the public, such as public safety, parks, and education. Allowing a county assessor office to grow by millions of dollars at the expense of these services does not reflect or lead to an efficient and responsive form of government that makes the best use of resources. Eugene encourages the legislature to consider adequately funding county assessors through means that provide incentives to control costs and maintain efficiency, without resulting in large service reductions for other local jurisdictions.

The City of Eugene, similar to other jurisdictions, continues to face fiscal constraints from the limits placed on property taxes. In order to preserve funding for important services to the public, we urge the legislature to oppose HB 2363. Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sue Cutsogeorge", with a long horizontal line extending to the right.

Sue Cutsogeorge
Finance Director