

**Testimony of Peter J. Bilotta, Executive Director of Chamber Music Northwest
SB181
House Committee on Revenue - May 9, 2017**

Dear Chair Barnhart and Members of the Committee,

I appreciate the opportunity to submit this testimony to you today on behalf of small and mid-sized nonprofit organizations throughout Oregon.

I am a resident of SE Portland, and the Executive Director of Chamber Music Northwest, a mid-sized arts nonprofit that serves more than 30,000 Oregonians every year with our chamber music, educational and community outreach programs. I also serve on the boards of several smaller nonprofits, including two that are essentially volunteer-run.

I am writing today to express my opposition to SB181, now before this committee. This bill, as proposed by the Senate, has very serious implications for all nonprofit organizations in our state, including arts organizations like my own. SB181 would impose extensive new annual reporting requirements on all nonprofits for them to maintain their property tax exemption.

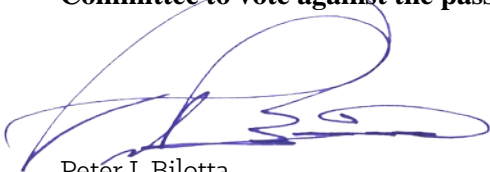
This is an unnecessary and burdensome requirement that will be very challenging for most smaller nonprofits to meet. Many with minimal staffing and small budgets won't be aware of the reporting requirement or will simply not have the resources to meet it annually. As a result, SB181 is likely to "trip up" thousands of small and mid-sized nonprofits so that they lose their property tax exemption. Those that do will face losses ranging from a few hundred dollars for those who merely rent small office space, to tens of thousands for those who own their buildings or land, such as youth camps and arts venues.

Chamber Music Northwest is one such example. Our tax exempt status saves us nearly \$5,000 annually in property taxes for the space we lease. To put this in perspective, \$5,000 is the cost of all of the free community concerts we performed last year – in downtown Portland, Gresham, Oregon City, Hillsboro, and at retirement centers, Doernbecher Children's Hospital, and even a Memory Care Facility for sufferers of Alzheimers.

As an East Portland resident, I fear that this will have the greatest negative effect on the many small and community-based nonprofits that provide vital social, educational, and health services, are culturally specific, or are volunteer-based. This negative impact will be even greater in disadvantaged areas like East Portland and rural Oregon where the vast majority of nonprofits fall into this realm.

While the financial impact of SB181 is certainly alarming, what is most disconcerting is that, at its heart, it takes the cynical view that property held or occupied by nonprofits is a fallow revenue source, rather than recognizing that this property is used in the fulfillment of nonprofit's missions of public benefit.

We all know that Oregon's property tax system is already broken and needs to be fixed. Let's not attempt to fix a part of it by breaking many nonprofits that are so valuable to our State and community. **I urge you and the Committee to vote against the passage of SB181.**



Peter J. Bilotta
Executive Director