

Dear Members of the House Committee on Economic Development, Representative John Lively, Chair and Representatives Julie Fahey and Daniel Bonham, Vice Chairs:

My name is Jim Kolen and I am the Curry County Assessor and Tax Collector. I would like to submit this letter and the attachments as background information in support of HB 2383 or the Curry Pilot Project (Pilot).

In meetings last year with AOC, LOC, SDAO, DOR, School Boards Association (Richard Donovan) and the Deschutes, Polk and Curry County Assessors (Group) we discussed the issue of inadequate funding in many counties for Assessment and Tax Collection (A&T) and strategies to address that issue.

The Group reached consensus on a pilot project to begin in Curry County to provide additional funding at \$125,000 to employ an additional 1.5 FTE of appraisal resource to address the backlog of properties requiring reappraisal. The Pilot would reduce the reappraisal rotation from the current rate of 16-18 years to a rotation of 6 to 8 years.

Reappraisal is the tool used by assessors to discover changes that occur on properties that are made without taking any kind of building or other permits. Without reappraisal, an unpermitted property change could exist as omitted property for up to 18 years in Curry generating no additional property tax revenue for the county's districts. Once discovered the assessor can place the omitted property back on the roll for the current year plus the previous five years and collect the tax, but any years prior to that will be foregone for property tax.

Curry was selected for the Pilot because the Assessor has been tracking discovery of omitted property in their limited reappraisal effort, can estimate a return on investment of a more expeditious county-wide reappraisal and would require a relatively small investment (\$125,000) to achieve significant results.

The Group felt the Pilot should contain the following elements:

- Curry County Tax Districts will share in the \$125,000 A&T investment as a percentage based upon Curry County's property tax distribution schedule
 - The State of Oregon would pay \$75,000 of the investment since almost 60% of the property tax is collected for schools
 - The remaining non-school districts would collectively pay \$50,000
 - The methodology of this collection was not discussed, but this could be accomplished through direct billing to districts or set up as a percentage of the property tax distribution schedule (% dist sched would likely be cleanest and easiest)
- In order to receive the funding Curry County would be prohibited from reducing the A&T budget and thereby nullifying benefit of the additional investment
- The Pilot should provide for at least seven years funding with a review and report back to the Group and Legislature to determine if the investment should be continued in future years
- The DOR will develop reporting requirements for the county for purposes of monitoring progress of the Pilot

These are the basics of the Pilot as discussed by the group based upon my recollection and notes. I wanted to share this information because I do not know how much of this information should be memorialized within the House Bill itself or how much would be resolved later in administrative rule.

Also attached with this email are:

- Word doc January 30, 2018 letter to the Group providing additional narrative of information and projections
- Excel doc Curry Pilot District Contribution
- Power Point which outlines the issue in Curry that the Pilot is intended to correct

I remain prepared to attend and testify at any committee meetings in support of HB 2383.
Please contact me if any of this information requires clarification.

Thank you so much for your consideration of HB 2383 and thank you for your service to the citizens of this State as a member of the Oregon House of Representatives.

Respectfully,

Jim Kolen

Curry County Assessor

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