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Representative Nancy Nathanson
Chair Senate House Committee on Revenue
900 Court St. NE
Salem, OR 97301

Oppose of HB 4141

Thank you for the opportunity to provide comments. I oppose HB 4141. HB 4101 and its proposed amendments can substantially negatively impact the tax collection process and the County Assessment at Taxation Fund (CAFT) and, from that fund, the County Assessment Function Funding Assistance (CAFFA) grants that annually support county assessment and tax collection in Oregon. I ask that the House Committee of Revenue not change this program.

Oregon already offers incentives for timely payment by providing a 3% discount for full payment, 2% for two payments, and no discount to pay the bill in thirds. A recent law change only allows 11 collection months starting on December 15th. So if you miss the November 15th deadline, you lose your 3% discount but pay no interest on the delinquent 1st 1/3 payment until December 15th. By lowering the rate to an annual rate of 1.33%, it could be foreseen that more taxpayers may delay payments longer, meaning that taxing districts would wait longer to receive needed funds and possibly budget for more money than received. My student federal loan interest is over 4% for my graduate degree. The tax system seems to provide a carrot, but HB 4141 takes away a stick that encourages timely tax payments.

In this conversation, I would also want to bring up the interest rates paid by the County Assessor or Tax Collector as provided for ORS 311.812, which allows for a 1% per month or fraction of a month's interest to be repaid to the taxpayer under certain circumstances for refunds when taxes have been overpaid. This refund and interest are deducted from the unsegregated tax collections account. Despite legislation allowing for reserve funds on significant appeals, large corporations still see appeals as favorable due to the high interest rate return on any refund. Appeals take considerable time and labor to defend, and costs are generally not recouped.

In Tillamook County, it is infrequent that homeowners lose their homes through tax foreclosure. It is primarily unwanted land, neglected property, and rarely homes with no living heirs to the estate. At that time, the county has to put significant money towards clean-up to market the property.

Despite the proposed amendment, I still oppose HB 4141. If any changes are made to the interest rate, I would ask for a funding proposal to replace dollars lost to CAFFA grants and a unilateral change to interest paid by the counties.

For transparency, I have worked for the Tillamook County Assessor for the last 20 years and am a candidate for Assessor in 2024. This opinion is my own and does not represent the office of Tillamook County Assessor.

I appreciate your consideration,



Kari Fleisher