



Bronson W. Rueda  
COUNTY ASSESSOR

Date: 3/11/2025

To: House Revenue Committee

From: Bronson W. Rueda, Clackamas County Assessor and Tax Collector

Support for HB 3518

Dear Chair Nathanson and Members of the Committee

I support HB 3518, which provides funding for all 36 Assessment & Taxation Departments in Oregon. My testimony today will focus on the return on investment that could be produced by HB 3518 through additional funding and resources. Referring to my submitted spreadsheet at the end of this document, Clackamas County will add approximately \$840,000 in property tax through our reappraisal efforts. This additional tax is generated by reappraising 12.5% of the County in two years. If we had the resources to conduct a 6-year reappraisal cycle, or 16.6% of the county every year, we could add approximately \$3.1 million in additional property tax each year. We need additional funding and resources to conduct a 6-year reappraisal cycle and we are currently leaving “money on the table” each year and shortchanging all or our taxing districts.

Before I continue, I must address my constituents in Clackamas County. To my constituents, the goal of my department is not, nor will it ever be, to add property taxes to an owner’s property tax bill. One of my statutory requirements is to ensure fair and equitable values in Clackamas County and to value all property at 100% of real market value. When my department conducts reappraisal, we adjust values per market evidence. That adjustment in value triggers mathematical calculations outlined in Oregon’s property tax laws that can increase, or decrease, an account’s property tax. My ROI spreadsheet shows tax added to the roll due to our reappraisal efforts. The additional tax is a mathematical result of rightsizing values and adhering to Oregon’s property tax laws.

Now, to provide a little history about reappraisal. Pre-measure 50, Oregon had a statutory requirement for all property to be reappraised on a 6-year appraisal cycle. Typically, a county would split up their property accounts into six buckets and reappraise one bucket each year. After six years, all buckets would be reappraised, and the cycle would start over. At some point after Measure 50 passed in 1997; it was deemed a 6-year appraisal cycle was no longer necessary. In addition, A&T staffing levels across Oregon were also reduced to reflect the lesser scope of work. For example, Clackamas County had a 15% reduction in staffing, which was 10 positions. Over time, we realized a couple of negative outcomes from eliminating the 6-year appraisal cycle.

One, we could no longer visit all property on a regular basis. In Clackamas County, we have about 172,000 real property accounts. Of those 172,000 accounts, we estimate 140,000

accounts have not been visited in over 10 years, 50,000 accounts have not been visited in over 25 years, and 80% of our commercial properties have not been visited in over 20 years.

Two, our inventory accuracy has been diminished without a 6-year reappraisal cycle. We complete our statutory obligation and value all property at 100% of real market value, but it's valued per our inventory, or what we show in our records. Over time, we have learned that without reappraisal, our inventory accuracy is compromised. We cannot capture all the property changes that occur; for example new construction and remodels. In Clackamas County, we receive nearly 20,000 permits every year that typically have limited detail. We triage these permits and are only able to visit about 5-6,000 each year, or about 25% of the permitted properties. We estimate this has created about 6% of our property accounts having incorrect inventory, resulting in less property tax collected for the taxing districts. The problem is, we don't know which 6% is inaccurate without reappraisal. We can mitigate the missing inventory with a 6-year reappraisal cycle.

Two years ago, we shifted our resources to conduct reappraisal in our county, recognizing the importance of this function.

Referring to the ROI spreadsheet at the end of this document, in the 2024-25 tax year, we added \$456,274 in property tax through our reappraisal efforts. Of this additional tax amount, \$190,262 will go forward into perpetuity and grow each year. This was just 4% of our real property accounts, and we need to reappraise 16.6% of our accounts yearly for a 6-year reappraisal cycle. We need additional resources to achieve this.

For the 2025-26 tax year, we will add an estimated \$384,463 in property tax through our reappraisal efforts. Of this additional tax amount, \$160,317 will go forward into perpetuity and grow each year. This was just 8.5% of our real property accounts. Again, we need to reappraise 16.6% of our accounts each year to achieve a 6-year reappraisal cycle.

From our reappraisal program in the last two years, we have the following conclusions:

- A 6-year reappraisal cycle could add \$3.1 million in property tax per year
  - Of this number, \$1.8 million is estimated back taxes owed
  - Of this number, \$1.3 million is tax added that will stay on the roll into perpetuity
- Once on a 6-year reappraisal cycle, the estimated funding from HB 3518, about \$3 million for Clackamas County, will be covered in one year with the estimated \$3.1 million in additional tax.
- Rural areas tend to have 2x omitted property as urban areas
- Taxing districts are losing revenue
- A 6-year reappraisal cycle will increase the accuracy of our inventory and minimize revenue loss
- Reappraisal reduces appeals and creates efficiency



Department of Assessment and Taxation

Bronson W. Rueda  
COUNTY ASSESSOR

- Average of 6-10 hours to work an appeal
- Average 60 minutes to reappraise a property
- Average 5-9 hours of time saved
- Reappraisal ensures values are fair and equitable, and property taxes are correct.
  - In some cases, taxes are reduced by discovering improvements on our inventory have been demolished
- Improves the health of, and taxpayer confidence in, Oregon's property tax system.

The last item concerning Return on Investment I will mention is what is already occurring. My budget is less than .001% of the \$1.176 Billion dollars of imposed tax for Clackamas County. For every tax dollar collected it costs less than 1/100th of a penny. That is a fantastic ROI and seems like a no brainer to beef up the funding for assessment and taxation departments statewide to ensure that taxing districts continue to get the necessary funding, from us, to operate.

In Summary, HB 3518 will help give my department the resources necessary to return to a 6-year reappraisal cycle and bring approximately \$3.1 million in additional property tax each year to the Clackamas County taxing districts.

Sincerely,

Bronson W. Rueda  
Clackamas County Assessor and Tax Collector



## DEPARTMENT OF ASSESSMENT & TAXATION

Presented by: Bronson Rueda, Assessor & Tax Collector

### Reappraisal summary:

#### **2024-25 TAX YEAR - ACTUAL REAPPRAISAL COMPLETED:**

Reappraisal Location:	Estacada Area	(Last reappraised 2005-06)
Number of accounts reappraised:	6,916	(4% of County)
Number of accounts with omitted property:	534	(8% of reappraisal area)
Real Market Value add to the tax roll:	\$24,000,501	
One-time back tax added to the tax roll:	\$266,012.30	
Current year tax added into perpetuity:	\$190,262.17	(Typically grows 3% annually)
<b>Total Tax Imposed 2024-25:</b>	<b>\$456,274.47</b>	
Average Tax added per account:	\$854.45	

#### **2025-26 Tax Year - ACTUAL REAPPRAISAL COMPLETED\***

Reappraisal Location:	Happy Valley Area	(Last reappraised 1991)
Number of accounts reappraised:	14,529	(8.5% of County)
Number of accounts with omitted property:	580	(4% of reappraisal area)
Real Market Value add to the tax roll:	\$15,904,859	
One-time back tax added to the tax roll:	\$224,145.66	
Current year tax added into perpetuity:	\$160,317.54	(Typically grows 3% annually)
<b>Total Tax Estimate 2025-26:</b>	<b>\$384,463.20</b>	
Average Tax added per account:	\$662.87	

\* 2025-26 RMV is actual, tax is estimated utilizing 2024-25 factors

#### **CONCLUSIONS:**

Rural areas tend to have twice as much omitted property as urban (8% vs 4%).  
 Due to lack of resources have limited reappraisal to 5 times in the last 14 years.  
 Conservative estimate is a third (57,300) of properties have not been visited since 1995.  
 Based on the mix of urban/rural properties, estimate 6% have omitted property.  
 Taxing districts are losing revenue.  
 A 6-year reappraisal cycle is necessary to ensure accurate inventory and minimize lost revenue.

#### **Estimated Revenue Loss County-wide:**

Total Real Property accounts in Clackamas County:	172,000	(Does not include CA or BPP)
Estimated number of accounts with omitted property:	10,320	(6% of County)
Estimated total tax of omitted property county-wide:	\$18,775,821.10	(current year and back tax)

#### **RECOMMENDATION - SIX-YEAR REAPPRAISAL CYCLE:**

Number of accounts requiring reappraisal annually:	28,667	(1/6 of county or 16.6%)
Annual number of accounts with omitted property:	1,720	(6% of reappraisal area)
Estimated one-time back tax:	\$1,824,434.56	
Estimated current year tax added into perpetuity:	\$1,304,905.35	(Typically grows 3% annually)
<b>Estimated total tax added in a given year:</b>	<b>\$3,129,339.90</b>	(with 6-year reappraisal cycle)