



Clatsop County

Board of Commissioners

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March 11, 2025

House Committee on Revenue
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

RE: Support House Bill 3518

Chair Nathanson and Members of the Committee,

The Clatsop County Board of Commissioners strongly supports House Bill 3518 and urges its passage to ensure sustainable funding for county assessment and taxation (A&T) offices across Oregon. The County Assessment Function Funding Assistance (CAFFA) program was established to maintain the integrity of our property tax system—an essential revenue source for schools, public safety, infrastructure, and local government services. However, without legislative action, counties will continue to struggle with underfunded A&T operations, jeopardizing accurate property valuation and tax collection.

Like many rural and coastal counties, Clatsop County faces increasing challenges due to declining CAFFA funding since its establishment in 1989. Originally designed to cover 30-40% of A&T costs, the program currently funds only about 14% in Clatsop County, with further reductions expected in the coming year. As a result, the County's General Fund is left to cover the remaining 86-90% of these costs, creating an unsustainable strain on our budget and directly impacting funding for essential services and service levels that are vital to our community.

With limited staff and resources, our A&T office is finding it increasingly difficult to maintain the service levels required to meet statutory obligations, including property assessments, tax collection, and defending property valuations. Adequate funding is essential for counties throughout Oregon to prevent omitted property valuations, lost revenue for local taxing districts, and increased financial burden on their General Funds.

HB 3518 offers a responsible, long-term solution by modernizing the CAFFA funding structure to reflect current needs. Specifically, the bill:

- Increases the document recording filing fee from \$10 to \$19 and indexes it to inflation.
- Replaces the 25% retention of interest on delinquent property taxes with a 0.3% retention of all property taxes before distribution to taxing districts.
- Reestablishes the state's investment with a \$10 million General Fund appropriation per biennium.

This proposal strengthens the financial foundation of A&T offices statewide, ensuring counties can continue providing high-quality assessment and taxation services that property owners and local

governments depend on. Without these changes, the decline in funding will only worsen, resulting in further service reductions, revenue losses, and ultimately jeopardizing the stability and accuracy of Oregon's property tax system.

For these reasons, we strongly urge your YES vote on HB 3518 to protect the stability and accuracy of Oregon's property tax system.

Thank you for your time and consideration.

Sincerely,



Mark Kujala, Chair
District 1



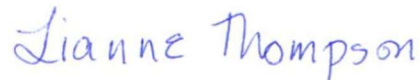
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District 4



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