



Clatsop County

Board of Commissioners

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June 12, 2025

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

RE: Support House Bill 3518-2 – Addressing the CAFFA Funding Crisis

Chair Nathanson and Members of the Committee,

The Clatsop County Board of Commissioners strongly supports House Bill 3518 with the -2 amendment 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. Without legislative action, counties will continue to face serious challenges due to underfunded A&T operations, jeopardizing accurate property valuation and tax collection.

Like many rural and coastal counties, Clatsop County has been significantly affected by the long-term decline in 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 additional reductions expected next year. As a result, the County's General Fund must now cover 86-90% of these costs--placing an unsustainable burden on our budget and limiting our ability to fund 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 fulfill statutory requirements, 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.

Some opponents have argued that taxing districts should not share in the cost of a broken system. However, counties are taxing districts too—often operating with lower permanent tax rates than many of the districts we support. It is neither equitable nor sustainable for counties alone to bear the full cost of A&T operations that benefit all taxing entities. HB 3518-2 addresses this imbalance by distributing responsibility proportionally based on each district's collections.

We also support the thoughtful changes in the -2 amendment. Stakeholders' concerns were heard and addressed in good faith, reinforcing that this is a shared responsibility and a collaborative path forward.

The services provided by A&T offices extend well beyond taxing districts. The real estate industry—including realtors, lenders, appraisers, and title companies—relies on accurate property data to conduct business. Incomplete or outdated records can delay transactions, hinder development, and ultimately reduce growth in property tax revenue for all.

HB 3518-2 offers a practical, long-term solution by modernizing the CAFFA funding structure to better reflect current needs. Specifically, the bill:

- Increases the document recording filing fee from \$10 to \$15 and indexes it to inflation, allowing it to increase three times to \$20, \$25 and \$30.
- Replaces the 25% retention of interest on delinquent property taxes with a 0.3% retention of property taxes due (except for bond levies), to be reallocated from taxing districts to help fund A&T operations more equitably and predictably.
- Restores 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 delivering accurate and dependable assessment and taxation services that property owners, taxing districts, and communities rely on. Without these changes, further service reductions and revenue losses are inevitable—jeopardizing the stability and fairness of Oregon's property tax system.

For these reasons, we strongly urge your YES vote on HB 3518-2.

Thank you for your time and consideration.

Sincerely,



Mark Kujala, Chair
District 1



Courtney Bangs, Vice Chair
District 4



Anthony Huacuja, Commissioner
District 2



Lianne Thompson, Commissioner
District 5



Pamela Wev, Commissioner
District 3