

<b>Date:</b>	<b>February 20th, 2025</b>
<b>To:</b>	Chair Nathanson, Vice Chair Walters and Reschke, and Members of the House Committee on Revenue
<b>From:</b>	Association of Oregon Counties Legislative Affairs Manager, Justin Low
<b>Subject:</b>	<b>Neutral – HB 3287</b>

Thank you for the opportunity to provide testimony in a neutral position on HB 3287. For the record, my name is Justin Low, and I am a Legislative Affairs Manager offering testimony on behalf of the Association of Oregon Counties (AOC).

AOC is a non-partisan member organization that advocates on issues that unite all county governing bodies and have an impact on county functions, governance, budgets, and services.

AOC stands alongside the Legislature in its commitment to supporting veterans and their families. As local governments, we recognize the sacrifices veterans have made and the importance of honoring them through intentional policy initiatives.

Counties further appreciate the approach of the bill's chief sponsor in including a reimbursement mechanism for counties to recoup revenue that would otherwise be lost through the property tax exemption. The thoughtfulness that went into drafting this legislation is not lost on us, and we thank Rep. Evans's work to balance supporting impacted communities while also ensuring that counties are made whole.

That said, there are two concerns that AOC would like to bring to the committee's attention and hopes are addressed in this legislation. The first is the lack of any appropriation of state funds to ODVA in the bill, thus making it uncertain if there will be enough funds available to fully reimburse counties for the increase in property taxes that are exempted. Lastly, and of equal if not greater importance, is the absence of funding or support in this legislation for county assessment and taxation offices to tackle the increased administrative work that will be asked of them under this bill.

Each county's assessment and taxation office are already over capacity due to long-term declines in CAFNA funding and stretched county budgets. Most counties are shedding assessment and taxation staff at present, and this means most counties will likely have to hire new staff to handle the additional workload on top of their other statutory obligations. Our county assessor and taxation associations produced some initial figures and estimated that implementation of this legislation would cost \$4.9-6.3

million for the first fiscal year to hire additional staff and train them, and then an additional \$2.5-3.5 million in subsequent fiscal years to continue processing this exemption program. Before legislation like this is passed and implemented, county assessment and taxation offices must be sufficiently funded, staffed, and resourced.

In conclusion, Oregon counties offer neutral testimony on HB 3287, acknowledging the importance of supporting veterans with disabilities and their surviving spouses, while highlighting the critical need of our county assessor and taxation offices. Thank you for your consideration of county perspectives, and I will do my best to answer any questions or provide additional information that may assist the Committee in its deliberations.

Respectfully submitted,

Justin Low  
Legislative Affairs Manager for Governance and Revenue