

March 14, 2023

Senator Kayse Jama, Chair  
Senate Housing and Development Committee  
900 Court Street, NE  
Salem, OR. 97310

Chair Jama & Members of the Committee:

**Housing Density Property Tax Valuation:**

The Special Districts Association of Oregon represents approximately 950 districts across the state that provide a wide range of services including rural fire protection, library services, parks and recreation, municipal water, wastewater, and storm water services to name a few. While we support efforts to address our affordable housing and homeless crisis in the state, we oppose solutions that will undercut our member's ability to deliver other critical services. As such we oppose Sections 1 and 2 of SB 847.

The purpose of these sections of the bill is to effectively freeze the assessed value of the entire property that constructs an accessory dwelling unit (ADU). This is because building an accessory dwelling unit can result in the entire property being reassessed, thereby bringing the assessed value closer to the current market value resulting in higher property taxes and possibly serving as a disincentive to construct ADUs or middle housing.

Although this may sound appealing as an incentive to property owner who undertake these projects, the result of this provision will have long-term and negative consequences on property tax dependent local governments, like fire districts, who will see an increase in service demands without any revenue to meet that new demand. As you know, cities and counties have multiple sources of revenue whereas special districts have an extremely limited list of choices when it comes to raising revenue. Those that are largely dependent on property taxes will likely see an increase demand for services without any additional revenue.

For example, our association has 252 fire districts across the State of Oregon, many that serve cities – and the impacts of Section 1 and 2 of this proposal to those districts will have public safety consequences. The cumulative impact of property tax exemptions is creating challenges for some of our members, particularly for our fire service districts.

Thank you for your consideration of these comments.

Sincerely,



Mark Landauer  
Lobbyist  
Special Districts Association of Oregon