<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:00 am</td>
<td><strong>Call Meeting to Order</strong> (BCC Chair)</td>
</tr>
<tr>
<td>9:05 am</td>
<td><strong>Welcome &amp; Overview</strong> (Steve Mokrohisky, County Administrator)</td>
</tr>
<tr>
<td>9:15 am</td>
<td><strong>Property Tax – Year in Review/Future Projections</strong> (Mike Cowles, Assessor)</td>
</tr>
<tr>
<td>9:35 am</td>
<td><strong>Benefits Update</strong> (Mary Miller, Benefits Manager)</td>
</tr>
<tr>
<td>9:50 am</td>
<td><strong>Break</strong></td>
</tr>
<tr>
<td>10:00 am</td>
<td><strong>Initial Forecast Projections General Fund</strong> (Christine Moody, Budget &amp; Financial Planning Manager)</td>
</tr>
<tr>
<td>10:15 am</td>
<td><strong>Initial Forecast Projections Road Fund</strong> (Tanya Heaton, Public Works Budget &amp; Finance Manager)</td>
</tr>
<tr>
<td>10:30 am</td>
<td><strong>16-17 Proposed Budget Plan</strong> (Steve Mokrohisky, County Administrator)</td>
</tr>
<tr>
<td></td>
<td>Policy review, benefit costs, review of existing revenues</td>
</tr>
<tr>
<td>10:45 am</td>
<td><strong>Final Thoughts/Discussion</strong> (Board of Commissioners/Management Team)</td>
</tr>
<tr>
<td>11:00 am</td>
<td><strong>Adjourn</strong></td>
</tr>
</tbody>
</table>
Property Tax Overview

Budget Work Session
8/26/2015

Mike Cowles
Lane County Assessor

- Value Trends / RMV 2015-16
- Real Market Value / Maximum Assessed Value
- Average and Median Sales Prices and Distressed Properties
- Taxes
- Summary
Real Market Value 2015/16

2013 to 2015 Inventory

July 2015 Reporting Period

<table>
<thead>
<tr>
<th>Inventory in Months*</th>
<th>2013</th>
<th>2014</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>6.8</td>
<td>7.0</td>
<td>5.5</td>
</tr>
<tr>
<td>February</td>
<td>5.7</td>
<td>5.7</td>
<td>5.9</td>
</tr>
<tr>
<td>March</td>
<td>4.6</td>
<td>4.9</td>
<td>3.7</td>
</tr>
<tr>
<td>April</td>
<td>4.5</td>
<td>4.9</td>
<td>3.4</td>
</tr>
<tr>
<td>May</td>
<td>4.2</td>
<td>4.9</td>
<td>3.3</td>
</tr>
<tr>
<td>June</td>
<td>4.3</td>
<td>4.3</td>
<td>2.6</td>
</tr>
<tr>
<td>July</td>
<td>4.7</td>
<td>4.6</td>
<td>2.7</td>
</tr>
<tr>
<td>August</td>
<td>4.3</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>4.7</td>
<td>4.9</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>5.2</td>
<td>3.8</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>6.0</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>4.4</td>
<td>4.1</td>
<td></td>
</tr>
</tbody>
</table>

*Inventory in Months is calculated by dividing the Active Residential Listings at the end of the month in question by the number of closed sales for that month. This number includes proposed and under construction homes.

2015/16 Tax Year

Average and Median Sale Prices

Average Sale Price % Change:
+4.5% ($240,100 v. $229,700)

Median Sale Price % Change:
+3.8% ($216,900 v. $209,000)

For further explanation of this measure, see the second footnote on page 3.

*RMLS Market Action 7/15
Average and Median Sales prices
Distressed Properties

This graph represents the average and median sale price for all homes sold in Greater Lane County, Oregon.

Distressed Residential Properties
Lane County
RMLS™ 2nd Quarter Stats (4/1/2015 - 6/30/2015)

New Listings - 2,114
- Non-Distressed
- Short Sales
- Bank Owned/REO

Sales - 1,398
- Non-Distressed
- Bank Owned/REO
- Short Sales

1st Quarter Stats (1/1/2015 - 3/31/2015)

New Listings - 1,509
Sales - 799

RMLS Regional Multiple Listing Service, Portland, OR / RMLScentral.com

*RMLS Market Action 7/15
Maximum Assessed and Real Market Value

MAV

- Eighty-six percent of residential properties in Lane County still have a Measure 50 maximum assessed value lower than their real market value. These properties will continue to see the three percent statutory increase in their maximum assessed value.

- On average, residential property owners are paying tax on 81 percent of their home’s real market value in 2014.

RMV

- Lane County’s January 1, 2014 total real market value (RMV) increased to $48.9 billion from $45.6 billion the previous year.

- For 1/1/2015 total real market value (RMV) expected to increase to over $50 billion. The 2015/16 roll is still in progress…..Expected to be certified Oct 6th.
Taxes

Certified Tax 2014 2015 in Progress...

- The total property tax certified to collect for all tax levies combined in 2014 was $464.4 million. The 2015 tax roll will be certified on 10/6.

- Certified property tax for 2014 was approximately 5.6 percent more than in 2013.
- 2015 in progress...

- This trend is expected to be moderate for 2016.

- The amount of taxes billed changes each year as a result of new, expired or renewed local option and bond levies approved by voters; the three percent statutory increase in maximum assessed values; the addition of new properties to the tax roll; the number of exemptions granted; and the number of properties being taxed on their lower market values instead of their Measure 50 maximum assessed values.
Building Permits / New Subdivisions

Eugene New Subdivisions since 1/1/2015 increasing

- The rise in activity is playing out in Eugene’s Planning and Development Department. The city has granted final approval since Jan. 1 for 15 new subdivisions totaling 515 single-family home lots, a review of land use records show, mostly along the River Road and Royal Avenue corridors near Eugene’s north and west boundaries.* (RG 8/16/2015)
- Supply of land is still very low for development
- In the previous five years, 22 subdivisions with a total of 331 lots received city approval.* (RG 8/16/2015)

Legislative Changes

78th Legislative Assembly

- One of the more active sessions in recent memory on the part of OSACA, OACTC and the DOR.
- Cooperation between counties and state was key to legislative successes.
- Special thanks to all who made time to submit written testimony or come to Salem to testify.

2015 OSACA Summer Conference
Summary

- RMV increasing
- "Flipping" of account values
- Legislative changes
- Large value account appeals
- Low Inventory
- More building permit activity
- Subdivisions and partitions
- Property tax revenues for most districts are expected to increase at 3.25-3.5% for 2016 (conservative)
- Many properties will still hit the Measure 5 maximum of $15 per 1,000 RMV as many market values are still below assessed.
- Compression under Measure 5

- Property tax revenues are maximized under the current law absent an aggressive reappraisal effort to find property that is not on the tax roll
- Prior year reductions in assessor staff makes any significant enhanced effort to increase tax revenues very difficult
- The focus is on getting the current tax roll finished by state deadline and statements mailed out on time
- Property tax will continue to provide relatively stable funding base to the General Fund
2015 LEGISLATIVE WRAP-UP
OSACA SUMMER CONFERENCE

John Phillips, Randy Walruff, Tom Linhares,
Diane Belt, Gil Riddell & Mark Gharst
78th Legislative Assembly

- One of the more active sessions in recent memory on the part of OSACA, OACTC and the DOR.

- Cooperation between counties and state was key to legislative successes.

- Special thanks to all who made time to submit written testimony or come to Salem to testify.

2015 OSACA Summer Conference
Oregon Legislature

Oregon Senate

Democrats: 18
Republicans: 12

Oregon House

Democrats: 35
Republicans: 25

MAJORITY (16)

MAJORITY (31)

House 35 to 25, 36 needed for supermajority.
Senate 18 to 12, 18 needed for supermajority.

2015 OSACA Summer Conference
Scenes from the Legislature
CAFFA Anyone?

- Legislature did set aside funds, with conditions, to backfill DOR's $1.8M CAFFA shortfall for 2015-17.

- Legislature did not backfill counties' $16.5M shortfall, and did not restart $5.2M+ for A&T work on state-funded schools (1999-2009).
The department had six bills in the 2015 session, all of which became law.
HB 2482 – Principal and Secondary

- Eliminates “principal” and “secondary” industrial language in favor of “state-appraised” and “county-appraised” industrial.
- Clarifies county-appraised go to BoPTA, state-appraised straight to Magistrate.
- Simplifies account transfer process. Specifies if county takes an account back they must keep it for five years.
- Effective July 1, 2015 tax year.
Either party to an appeal may seek a determination of the value of entire unit of property when any account is appealed.

Unit of Property is Defined in ORS 310.160(1) as all contiguous property, within a single code area, under common ownership, used and appraised for a single integrated purpose.
HB 2484 – “Extensions for All”

- Eliminates six week return extension process for all property tax returns.
- Moves deadline to file from March 1st to March 15th.

2015 OSACA Summer Conference
HB 2485 – Refunds, Delinquencies, and Floating Homes

- Catch-all bill for collection concepts.
- Specifies refunds go to person who appealed.
- Ensures when roll corrections are made for five years refunds are made for same.
- Increases minimum to collect from $5 to $10 to align with refunds.
- Aligns mortgagee notice requirements between mobile homes and floating homes.

2015 OSACA Summer Conference
HB 2486 — Levy Categorization

- Conforms law to Oregon Supreme Court's Urhausen decision.
- Removes requirement to categorize under general government category.

2015 OSACA Summer Conference
HB 2487 – MAV Reductions

- Changed MAV reductions to be proportional to change in **value** as opposed to **square feet**.

- This bill passed but was then reconciled with OSACA’s HB 2129.

2015 OSACA Summer Conference
The association brought four bills this year, three passed. HB 2132 died in committee, it would have allowed a surcharge to the assessor for forest protection district assessments.
OSACA Bill Summary, by Category:

A - OSACA bills 4
B - Ballot Measure bills 11
C - OACTC bills 2
D - DOR bills 6
E - Exemption bills 37
F - Farm Forest bills 5
S - Senior Deferral bills 10
O - Other bills 18
Total bills 93

2015 OSACA Summer Conference
OSACA Bill Summary, by Activity:

<table>
<thead>
<tr>
<th>Action</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Action</td>
<td>30</td>
</tr>
<tr>
<td>One Public Hearing</td>
<td>18</td>
</tr>
<tr>
<td>Failed First Chamber</td>
<td>8</td>
</tr>
<tr>
<td>Passed First Chamber</td>
<td>4</td>
</tr>
<tr>
<td>Passed Both Chambers</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total bills</strong></td>
<td><strong>93</strong></td>
</tr>
</tbody>
</table>
HB 2127 – Tax-Exempt Transferee

☐ County clerk may not record deed to tax-exempt purchaser without certificate from assessor that taxes are current.
Ad valorem property taxes assessed on real property held by taxable person under lease from tax-exempt owner are personal liability of taxable person.
HB 2129 – MAV Adjustments

- Includes conflict amendment with DOR’s HB 2487.
- Requires assessor correct for (a) square footage differences in manner determined by assessor, or (b) new property added that did not exist.
- May not correct for a “difference in the nature, extent or value of the new property.” (No retroactive appeals).
- Provides that new property or new improvements include property that existed but was not included in assessment for prior tax year. (corrects West Foods vs DOR issue)
The tax collectors had two bills this session, both passed.
Collector may transmit warrants for delinquent taxes on business personal property to Secretary of State for filing in Uniform Commercial Code (UCC) system.
HB 3016 – Manufactured Homes

- Raises Manufactured Communities Resource Center special assessment.
- Improves abandonment process.

2015 OSACA Summer Conference
Why does Randy make our life so hard?
HB 2083 — Senior Deferral

- Allows a senior to downsize and remain qualified under certain conditions (lesser RMV, buy within year, satisfy prior lien, 20% down).
- Allows DOR to purchase insurance.
- Raises RMV allowance for folks in their homes 21+ years.
- Requires DOR notify ADRC if seniors fail to respond to recertification requests.
HB 3034 – Charitable Care Exemption

- Did not pass but has led to upcoming workgroup on ORS 307.130 to clarify nonprofit exemptions.
- Would have set clear bright line for medical nonprofits to claim exemption.
- Concerns include “charity by association”, nonprofits acquiring for-profit clinics, and low percentage of charity care after recent healthcare reform.

2015 OSACA Summer Conference
Other Bills of Note

The DOR's Property Tax Division tracked 170 bills this session, of these 110 had at least one public hearing and 58 were made into law.
SB 611 – Intangibles, Fiber Networks, and Data Centers, Oh My!

- Intangibles are capped for all companies by limiting taxable value to 130% of historic cost of tangible property.
- Adds exemptions for franchises and satellites.
- Qualifying gigabit networks are taxed at the greater of $250M or the tangible value of their assets.
- Most data centers to be locally assessed.
- Companies that provide email and search engines will not be centrally assessed if those activities are the only communication activities they provide in the state.

2015 OSACA Summer Conference
**Other Bills That Passed**

<table>
<thead>
<tr>
<th>HB 3125 - Food Processors’ Expansion</th>
<th>HB 3188 - Predator Control Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Expands food processors’ exemption to cover eggs, bakery and dairy products.</td>
<td>□ Allows landowners to petition to create district to pay for shared predator control.</td>
</tr>
<tr>
<td>□ Includes inconsistent language that may need work in future session.</td>
<td>□ Inclusion is voluntary.</td>
</tr>
<tr>
<td>□ Excludes equipment for marijuana edibles.</td>
<td>□ Structured as an incurred charge to avoid compression.</td>
</tr>
</tbody>
</table>

2015 OSACA Summer Conference
### Other Bills That Passed

<table>
<thead>
<tr>
<th>HB 2148 - Tribal Trust Land</th>
<th>HB 2610 - Agricultural Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Exempts permanent improvements on tribal trust land.</td>
<td>- Eliminates OSHA and fire marshal inspection requirements for agricultural workforce housing exemption.</td>
</tr>
<tr>
<td>- Excludes centrally assessed properties.</td>
<td>- Must only meet building codes.</td>
</tr>
</tbody>
</table>

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2015 OSACA Summer Conference
Other Bills That Passed

HB 2171 – Evergreen Exemption

- Exempts history or science museum property used to fulfill mission of museum.
- Exempts contiguous unimproved land.
- Excludes hotels, waterparks, chapels and property used in a commercial enterprise.

HB 2171 – Tax Reform Study

- Directs LRO to study restructuring of Oregon tax system including property tax.
- Hearings focused on assessing at RMV and adding homestead exemption.
- See SB 925 for testimony.
## Other Bills That Passed

<table>
<thead>
<tr>
<th>Bill</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HB 3001</strong></td>
<td><strong>- Damaged or Destroyed</strong>&lt;br&gt;☑ Gives taxpayer until December 31 to request July 1 value determination in cases of damaged or destroyed property.&lt;br&gt;☑ Josh Gibson was proponent.</td>
</tr>
<tr>
<td><strong>HB 3492</strong></td>
<td><strong>- Solar Project Fee in Lieu</strong>&lt;br&gt;☑ County <em>may</em> enter into 20-year agreement to exempt taxes and receive $7K/MW fee in lieu.&lt;br&gt;☑ Concern is withdrawal from agreement after early depreciation with little claw back.</td>
</tr>
</tbody>
</table>

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2015 OSACA Summer Conference
Other Bills That Passed

**HB 2690 - Low Income Housing Land**
- Habitat for Humanity was chief proponent.
- Allows 10-year exemption on land held for low income housing.
- Has claw back provision.

**HB 2643 - Enterprise Zone Expansions**
- Allows city, county, or port to designate enterprise zone.
- Repeals limits on number of zones.
- Business Oregon determines zones meet standards.

2015 OSACA Summer Conference
A Few of the Many Bills That Died

- Willamette Vineyards Industrial Improvements Exemption
- Urban Agriculture Incentive Zones
- Energy Efficient Improvements
- Brownfield Special Assessment
- Transparency
- Homestead Exemptions for Veterans, Volunteer Firefighters, Police and Fire Personnel
- $2.00 Minimum Permanent Rate Ballot Measure
Can’t Get Enough New Laws?

☐ DOR planning New Law School for October.

☐ Three to four trainings to be held across the state.

☐ Trainings to vary slightly by regional interests.

☐ Details to follow, stay tuned.

2015 OSACA Summer Conference