

Grapevine



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Scot Langton, 2006-07 OSACA President

By TOM CLEMENS, BEND FIELD UNIT MANAGER

Scot Langton is the assessor for Deschutes County. Scot is an OSU graduate ("Go BEAVS") with a bachelor's degree in business. The Langton family, (wife, two boys and a girl ages nine, seven, and five), love Central Oregon and what it has to offer. Scot enjoys mountain biking, hiking, and taking his kids fishing. In his spare time, he volunteers for Habitat for Humanity and his church, and he has served as a search and rescue volunteer.

"I was introduced to assessment and taxation work in Wallowa County, (Oregon's most northeasterly county) where I'd been working as a forester/timber appraiser for a private mill," Scot recalls. "Assessor Vicky Yost, hired me at an entry level appraisal position."

Scot learned the workings of the county's A&T programs over the next few years, so when Vicky decided to retire at the end of 1996, she told him to throw in his hat and run for the assessor position. The position was contested, but Scot prevailed in the primary election.

Taking office in 1997, Scot was greeted by the grinding task of clarifying Measure 47 and implementing its subsequent revision, Measure 50.



Scot Langton, Deschutes County Assessor and 2006-07 Oregon State Association of County Assessors President, with two of his favorite Deschutes County views in the background.

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Ron Northcraft, Douglas County Assessor and past-president of the Oregon State Association of County Assessors with his "touch screen" public access monitor. "We have to use technology to our advantage."

Ron Northcraft, OSACA's Past President

By AL GAINES, EUGENE FIELD TEAM

Ron Northcraft (Douglas County Assessor) recalls a time: "Winter conference 2004, I think, I stood up in the back of the room and said, 'We should make this new manufactured house tracking system work for our (the assessor's) benefit.'" That statement and a series of unexpected events set Ron up for the leadership role as president this past year of the Oregon State Association of County Assessors (OSACA).

"I'd declined an offer to seek election as second vice-president about that time," Ron continued. "I didn't think I had enough experience – I wasn't qualified."

But Ron's willingness to take the lead on the system of permitting and tracking manufactured houses through the state building codes division (rather than DMV) raised the attention of assessors and other stakeholders in Oregon's property taxation system as well as a lot of experience working on a complex statewide issue in government administration.

"We have come a long way on that," Ron reflects, "but I must admit I'm frustrated that we can't get two

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"I had to travel 6.5 hours one way to attend meetings in Salem," Scot said. "But the administrative procedures required by Measure 50 would affect the entire property tax system in Oregon and it was very important to participate in the meetings developing those procedures."

Scot served as the Willowa County Assessor until 1999 when he moved his family to Bend and became the Chief Appraiser in Deschutes County. He served in this capacity until 2001 when Kim Worrell retired and he was appointed by the county commissioners as the assessor. In the 2002 primary, he ran for the office and won; this last May, he was re-elected to a second four-year term beginning in January 2007.

Since Scot has been in Deschutes County, property value on roll has gone from \$10 billion to \$29 billion. There are many challenges with the tremendous growth and new construction in the county. Scot enjoys his job and the challenges it presents.

"Growth in the county is challenging, yes, but a lot of fun," he said with a knowing smile. "Things are changing all the time!"

Scot compliments his "great staff" for making his job easier and enabling him to reach goals he has set for the office. Some of the county's success also goes to a 2003 decision to convert the A&T computer system to the ORCATS (Oregon Counties Assessment and Taxation System) software program. That successful change in computer system has enabled the county to keep up with its growth, related workload and fiscal administrative goals. During this decade of growth, the county has only added four full-time equivalent positions.

Scot is excited about his appointment as Oregon State Association of County Assessors (OSACA) president and the opportunities it presents.

Insanity—doing things the way you've always done them, but expecting different results.

-Wisdom from Scot Langton

"I want to thank all the OSACA members for the help they've given me," he emphasizes. He hopes to further enhance the communication and relationship building with the assessors and the Oregon Department of Revenue.

Being OSACA president in a legislative year is Scot's current challenge.

"There are several 'hot topics' before the legislature that affect the property tax system—from valuing intangibles to the complexities of school funding, representing and explaining the administration of the property tax system," Scot said.

"I'm looking forward to working with the Association of Oregon Counties (AOC), the legislature, and DOR to address these issues." Scot added, "and, it's only a three hour drive now."

state government agencies (building codes and revenue) to devise the reporting system assessors need that would efficiently, effectively and economically report those home inventories for county appraisal purposes."

Get involved!

-Ron Northcraft

During 2004, as Ron was working on his project, OSACA's elected 2004-05 first and second vice-presidents resigned, leaving the organization without a 2005-06 president. Ultimately, Ron was asked to accept the nomination. Given the organization's need and his involvement in statewide issues Ron accepted. "I thought it was a low time for the organization and hoped I could help get us through that," he said.

When asked what he thought his accomplishments were during his presidency Ron responded, "Oh, I don't think of anything as my accom-

plishment; I think of the organization's accomplishments. I just think of myself as a behind-the-scene facilitator. For example, there's more coordination and cooperation now between the assessor and the tax collector organizations. I'm real pleased about that. Next year we'll hold a joint conference."

And on the relationship with the department? "It's a partnership. We're all working toward a common goal – equity and accountability in property taxation. It's a very workable relationship and it defines who we are."

And the future? "There are lots of challenges. Five years from now 20 of the 36 assessors will be new," Ron forecasts. "OSACA's leadership group is solid, though. This year's president, Scot Langton, from Deschutes County has his work cut out for him during

this legislative year. As past-president I'll stay involved and help when I can. Tom Green (first vice-president, Crook County), David Lawson (second vice-president, Yamhill County) and Linda Hill (secretary/treasurer, Union County), are all qualified and will provide a stable leadership pool for OSACA to build on and provide the support the county assessment offices will need."

Advice from the past-president? "Get involved. Assessors cannot delegate their responsibility. We need skilled and talented people. And we need to embrace technology and use it whenever possible for the benefit of all stakeholders in Oregon's property tax system."

Look for the Lane County Courthouse in this issue.

Karen's Korner

By KAREN GREGORY, PROPERTY TAX DIVISION ADMINISTRATOR

Topics from the Legislative House Interim Revenue Committee

The Legislative House Interim Revenue Committee met on August 31 to discuss two issues of interest to counties:

1. The fix for the veterans' bill that was passed last session, and
2. The plan to have cable companies and internet service providers (ISP) assessed centrally by the state beginning either in tax year 2008 or 2009.

The conversation on the veteran bill was pretty straightforward. Mary Ayala, one of the legislative revenue economists, explained the multiple problems with the bill from last session and showed that, in some cases, no one could qualify for the property tax exemption due to the specific bill language. This was clearly not the intent of the 2005 Legislature so the committee asked Mary to go back and determine the various costs on all of the possible options for fixing the bill.

The second topic was less straightforward. The Department of Revenue has determined that there is an inequity in the property tax system. Telephone companies are centrally assessed by the state and their values include intangible property. Cable companies and internet service providers are valued at the county level and intangible property values are not included. The inequity occurs when the cable companies and ISP provide the same services as the telephone companies, but are taxed differently on their property.

Members of the committee understand DOR's plan to begin assessing the cable and ISP companies in either the 2008 or 2009 tax year, but they are not sure whether they want to allow the change. The industry spoke to the issue, and as you may guess, the cable companies do not want to be centrally assessed. The telephone companies agree that they and the cable companies should be assessed in the same manner.

Both the cable and telephone companies agree that they would like to eliminate the property tax on the intangible value. There will be many further conversations on this issue and much more information gathered to share with the legislative committee members. I will be surprised if this is not a topic during the 2007 legislative session so stay tuned for more on this issue.



Front row seated: Mike Olson and Linda Blacklock. Left to right: Jesse Holler, Robert Smith, Alisha Macauley, Jennifer Dudley, Paul Matich, and Jim Olheiser. Not pictured: Ronda Kerner

Profile of Utility Appraisal Team

By SHANNE JOHNSON, APPRAISAL ANALYST

Team Members: Michael Olson (Team Leader), Jim Olheiser, Jess Holler, Paul Matich, Jennifer Dudley, Ronda Kerner, Robert Smith, Alisha Macauley, and currently in a work-out-of-class assignment, Linda Blacklock

Property they value: air transportation companies, water transportation companies, telecommunications—wired, wireless, tower aggregators, mobile radios, gas companies, oil and gas pipelines, electric co-ops, investor-owner electric companies, wind generation, PUD's, electric generation—small hydros, class 1 railroads, and private railcars.

Property values the Utility Team manages: The utility roll with a real market value of \$12.66 billion and an assessed value of \$12.29 billion. These values include real and personal property both tangible and intangible.

About the team: The utility team is different from the department's industrial teams. By statute, they are required to reappraise all of the utility companies every year. The industrial teams only reappraise a portion of their companies each year.

The utility team currently has over 580 active accounts, but only 475 companies on the Utility Roll. The difference is attributable to companies that are exempt for a variety of reasons.

For the past few years, the team has been working on automating the process of getting the utility roll to the counties. This has reduced the amount of time that the counties need to process the utility roll once the department has certified it. The team is committed to further automation to reduce the amount of time it takes to apportion our final values out to the counties.

Court Case Corner

By DOUG ADAIR, ASSISTANT ATTORNEY GENERAL

Department of Revenue v. Butte Creek Associates, TC 4676

This case involved the special assessment valuation (SAV) of a government-restricted low-income apartment complex under ORS 308.712. The taxpayer had elected the SAV income approach and the parties stipulated to the NOI. At issue were the level of risk and the effective tax rate in the capitalization rate. The court found that the level of risk was greater for the government-restricted property than similar unrestricted apartments. On reconsideration, the court determined that the effective tax rate for this property in its first year of SAV valuation was the nominal tax rate times the changed property ratio (CPR).

Pacific States Marine Fisheries Commission v. Multnomah County Assessor, TC-MD 041157B

The taxpayer, a commission created by compact and authorized by Congress, appealed the county's disqualification of leased property from tax-exempt status. The court found that

ORS 307.112 allowed for an exemption of leased property if the leasing entity had a right to claim an exemption under ORS 307.090. The only potentially applicable qualifying category of entity under ORS 307.090 is a "public corporation." The court held that the Fisheries Commission was not a public corporation and, thus, did not qualify for the exemption.

Meyer v. Lane County Assessor, TC-MD 050572E

The taxpayer sought to have three lots in a residential subdivision in the City of Dunes designated for forestland special assessment. Because the highest and best use of the property is residential, the property would only qualify for special assessment if it was "held or used for the predominant purpose of growing or harvesting trees." ORS 321.257(2). The court found that the property met minimum stocking requirements, but denied the appeal because there was insufficient evidence that the taxpayer was holding or using the property for forestry purposes.

One-Day Property Tax Seminar in October

The Institute for Professionals in Taxation in cooperation with the Idaho State Tax Commission, Oregon Department of Revenue, and the Washington Department of Revenue will present a One-Day Property Tax Seminar at the Red Lion Hotel on the River in Portland, Oregon on October 18, 2006.

For registration and program information, click on www.ipt.org (scroll down the page and click on the Northwest One-Day Property Tax Seminar Brochure).



Lane County Courthouse,
Eugene

Comings and Goings

Resignations/Separations

Cliff Johnson, appraiser analyst 3 Valuation • **Mark Wilkinson**, appraiser analyst 3, Valuation • **Diana Proper**, appraiser analyst 3, Valuation • **Steve Lucker**, cartographer 3, CIS • **David Wingardner**, cartographer 3, CIS

Work out of Class

Linda Blacklock, supervisor, Program Administration & Analysis

Summer Conference Summary

The 2006 Oregon State Association of County Assessors (OSACA) summer conference was held at the River House conference facility in Bend, Oregon from August 15-17, 2006. The agenda offered a wide range of informational and educational opportunities in the area of leadership and emerging issues, such as the logistics and tax implications of siting a liquid natural gas facility, Measure 37 land use law from the property rights perspective, and finally, a presentation on non-farm dwellings. The presentations were well received.

The association traditionally changes leadership at the summer conference. This year, Scot Langton (Deschutes County) accepted the nomination for president for the upcoming year and will be working closely with the first vice president, Tom Green (Crook County) and secretary/treasurer Linda Hill (Union County).

Grapevine

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