

Policy and Procedures Standing Committee Meeting
Thursday, October 16, 2003
9:30 a.m.
CAO Conference Room

Present: Teresa Wilson, Bill Van Vactor, Bill Dwyer, Bobby Green, Jim Gangle. Anna Morrison was excused. Melissa Zimmer, Recording Secretary

1. APPROVAL OF MINUTES – March 18, 2003
Minutes approved by consensus.
2. DISCUSSION ON DEFINITION OF CONFLICT OF INTEREST
BOARD OF PROPERTY TAX APPEALS

Green explained Policy and Procedure's charge was to discuss the definition of conflict of interest as a result of the Board of Property Tax Appeals. He noted that John Brown had submitted an application and the Board discussed the pros and cons of having him on the Board of Property Tax Appeals.

Wilson noted the standing practice that had been used in the past with respect to the Board of Property Tax Appeals had been that someone who was an active practitioner either in the real estate or appraisal field had not been placed on the Board of Property Tax Appeals.

Dwyer commented that under current practice there are some violations. He said technically speaking that they were already violating the policy.

Wilson suggested in the description of the Lane Manual about the Board of Property Tax Appeals, the Board could codify the practice. She said she would bring the language change to Policy and Procedures and to Annette Newingham to make sure she accurately reflects what the practice had been.

Wilson suggested the following language for the Lane Manual change: In order to avoid the appearance of a conflict of interest, any individuals who are actively involved in a real estate related business, including but not limited to, appraisers, real estate agents or consultants, property managers, attorneys with a real estate or property tax practice will not be appointed to the Board of Property Tax Appeals.

Gangle explained the problem he would have with that is they are limited in help. He said the Board of Property Tax Appeals itself does a good job of gathering the facts. He thought it was a positive step to have someone

with experience involved with the Board of Property Tax Appeals as they bring a degree of experience and expertise.

Dwyer noted there was a process that they had been using and he didn't see a reason to change it.

Gangle commented the Board of Property Tax Appeals has the option of hiring an appraiser to advise them. He said in terms of the whole system, it is the large value appeals that they need help with.

With regard to ethics law, Van Vactor noted the policy choice that Oregon made with the declaration of conflict was on the theory that it would rather have people with expertise on these public committees as long as it was out in the open. He didn't think the Board was comfortable with that and they wanted Lane County to have a higher standard. He added with past appointments, the Board had acted consistent with Oregon law.

Green noted another issue was how Gangle was able to get expertise on the Board of Property Tax Appeal if he doesn't have the staff to do it.

Gangle wanted his staff involved so there is as much support and knowledge as possible on the Board of Property Tax Appeals.

Van Vactor explained that Lane County only gets 10 cents on the dollar with the loss in property value but the cities get a lot more. He suggested having an analysis performed as to how much value is lost in corresponding tax money when the property taxes are appealed. He thought that the cities should buy an appraiser.

Gangle noted that there is an appraiser that actually works for the Board of Property Tax Appeals. He said that meant the Board of Property Tax Appeals could contract with a consultant to advise them when they had a high valued case. He said they would be able to consult with someone with money from the cities to get help with expertise in some particular situations.

Van Vactor said they would have to demonstrate to the cities that it would be to their financial interest to fund it.

Gangle stated it was a difficult number to obtain, as it would have to depend on how long an appraiser spends on a property to get an accurate value. He added it is just an opinion. He said one place he could focus on is making the decision on which properties to take to the Board of Property Tax Appeals that he could appeal onto a magistrate level. He said in those cases they didn't think that enough information was presented that they were comfortable with.

Green reiterated the way to deal with the conflict of interest was the proposed Lane Manual change. He noted the other part of the issue would be doing an analysis, going to the cities to let them know Lane County needed their expertise to be able to challenge some of the appraisals.

Wilson noted this could be a board order on the consent calendar. She added it should go to the full Board with that recommendation.

Gangle discussed the issue of discounted rates for property taxes.

Green suggested the issue be taken to the revenue tax force.

Wilson said the Policies and Procedures committee report would be on the agenda for October 29 and the board order would be placed on the Consent Calendar the first week of November.

Adjourned 10:05 a.m.

Melissa Zimmer
Recording Secretary