



# County Assessor Uncovers \$14 Million in Overcharges to County Taxpayers

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Roseburg, OR- At the conclusion of a year-long investigation headed by Susan Payne, Operations Manager of the Douglas County Assessor's office, into the personal property tax accounts it has been determined that county taxpayers were overcharged to the tune of \$14 million, including interest. Payne, before joining the Douglas County Assessor's office was the head of the personal property tax division for the Oregon Department of Revenue.

Roger Hartman, Douglas County Assessor said the scale of the error is disturbing, but that it involves a review of 10,000 personal property accounts, 6,000 of which (60%) were overcharged. He said he notified the county commissioners, the Oregon Department of Revenue, the District Attorney and the Sheriff of his



County Assessor Roger Hartman reviewing files with Frank Lassen, Assessment Manager

photo Roseburg Beacon

findings. The D.A. and the Sheriff determined that it would be better for the Department of Justice to conduct a further investigation as to any negligence or violations of law that may have occurred, rather than have one county office such as the Sheriff's Department or D.A.'s office investigate another county department.

All of the erroneous valuation data Hartman's staff uncovered occurred before he took office in 2015. Hartman said he wants to assure

taxpayers that the valuation problems which led to the overtaxing which occurred the five years prior to his taking office, have all been corrected. The question that remains however is the refunding of the excess taxes.

Hartman said the Department of Revenue (D.O.R.) told him that he can't go back and issue refunds if the overtaxing was based upon valuation. The difficulty, Hartman says, will be going through each account and making that determination.

This will require an increase in his staffing, or assistance from the D.O.R.

What the year-long investigation conducted by Hartman, Payne and the Douglas County Assessor's staff uncovered were errors in calculating personal property taxes owed, including: charging taxpayers for property that no longer existed; charging late filing penalties that exceed state statutory limits; adding value to asset lists without supporting documentation; and filing fictitious substitute returns.

The county's exposure as to how much of the \$14 million will have to be repaid is unclear, pending further investigation, but Hartman estimates that it could be reduced by D.O.R. determination to somewhere in the 2-3 million dollar range. He fears that without additional funding or staffing, it will be difficult to determine the eligibility of individual taxpayers to receive their refunds, and that little if any of the excess taxes will be returned.

The source of the refunds would come from the county's unsegregated funds account, the balance of which he said he did not know.

In the meantime his office has certified the 2016-17 tax rolls which indicate approximately \$102 million in taxes on real and personal property are due, based upon an overall county-wide valuation of approximately \$8 billion in property values. Hartman said this certification of the rolls was completed five and one half days earlier than last year, and the two years prior to that. This is significant because the tax statements are based upon the certified rolls. He attributes this early completion to the hard work and determination of his staff.

The county receives slightly less than ten percent of that amount, approximately \$1.11 per thousand of assessed property values. Douglas County is the fourth lowest recipient of property taxes in Oregon, meaning 32 counties receive a higher share of property taxes than Douglas County. The rest is spread throughout the 123 taxing districts such

as schools, fire, road districts, etc. The county's portion is almost exclusively earmarked for the Sheriff's Department.

Hartman has come under recent attacks from within county government. In documents released to the local daily paper only, it was revealed that the county's manager of Information Technology, Building Facilities and Parks, Kevin Potter, along with Jessica Hansen, the county's Chief Financial Officer, and Michael Kurtz, Human Resources Director, all filed complaints against Hartman with the Douglas County Commissioners, alleging mismanagement and in some cases potential ethical and legal violations.

When asked how this information, which was clearly intended for internal use by the commissioners, came into the hands of the daily paper, there were no explanations from the board. Hartman said he asked Commissioner Freeman, who said he did not release it. The Beacon asked Commissioner Boice who also denied any involvement in the release. Freeman declined returning

our call asking for comment.

Boice did admit that several weeks ago he asked Kurtz to do an evaluation of the Assessor's Office. "I asked Michael Kurtz to get me a summary of all of the different issues with the employees in the assessor's office." Boice added that "I'm planning to be the new liaison commissioner for that department in January, so I wanted to come up to speed on their staffing needs". Boice did not know how, or why the other two departments were tasked to do their own evaluations.

Michael Kurtz, in his report alleges that many employees in the assessor's office have been fired or replaced under questionable circumstances. Kurtz said that he realizes Hartman is an elected official, but that "...if any other non-elected Department Head had the same record as Roger Hartman of personnel management issues, substantiated allegations against them for harassment, and multiple violations of County fiscal policies-I would be strongly recommending to the Board of Commissioners that they be terminated from their appointed position."

When asked about Kurtz's accusations, Hartman said Kurtz has "misrepresented the facts". Hartman also said that of the fifteen employees who are no longer with the assessor's office, six of those the result of budget cuts from the commissioners, and several more retired. There have been no formal complaints filed with the Bureau of Labor and Industries (BOLI), and according to Hartman, no wrongful termination complaints filed with the county.

When asked what he thought the reason was for hostile actions from Kurtz and the other two department heads, Hartman said; "Some of the allegations made by the three disgruntled department heads, have, in some cases an element of truth; for example how many of the staff have left the department. But I believe a great deal of this comes from embittered long-term county employees who have made my transition into this office very difficult, from day one. I suppose that my private sector experience and approach doesn't set well with career government employees, and may be perceived as a

threat."

Hartman also said that his current staff is doing an outstanding job, and that the recent discovery of the overtaking all occurred under a different staff. "We have some of the best trained and most qualified staff in the department's history, including our Assessment Manager, Frank Lassen, with over 25 years assessment experience, including 14 years with the Department of Revenue. Our entire staff has a 'can do' attitude when it comes to helping the public."

The bottom line Hartman said is that "My commitment has not changed since I took office, which was to have accurate values on the tax rolls, and to treat the taxpayers with the respect they deserve."

Hartman was elected in 2014 with an approximately ten percent margin of victory over the incumbent County Assessor Susan Acree. This was the first time in over forty years that a sitting assessor has been unseated in Douglas County. Hartman's term is for four years and ends in 2018.

