



## Kansas County Treasurers Association

Chairman Huebert and members of the Committee:

I am Pat Sharp, the Lane County Treasurer and I am appearing here today representing the Kansas County Treasurers Association in support of House Bill 2548. This bill is intended to prohibit the abuse of the poverty affidavit created in 1876. This statute to help the poor that found themselves struggling financially to make ends meet has found its way into the hands of businesses, in the case I am familiar with an oil company.

It was not until 2011 that I saw this law used when an oil company who had not paid its taxes filed a poverty affidavit. When the oil company filed they owed approximately \$589,000.00, plus interest and publication fees. The impact to Lane County from this company attempting to avoid paying its taxes through the use of this obscure statute placed a burden on things like public works and the school district.

An agreement was eventually worked out between the oil company and our county for payment. In the intervening time Lane County did not have its proper payment for operating the county and the school district did not receive its taxes until after their fiscal year.

The law as it currently exists would allow this same behavior anywhere in the state. It does not contain provisions requiring that the taxes ever

have to be paid or any limit on how many years a business could use the poverty affidavit.

If the availability of this statute was widely known to other companies, the impact to local and state government could be much larger than what happened in Lane County. I believe that this statute was not intended for companies to use and I am asking that it be repealed or clarified to keep this abuse from happening again.