

TRANSCRIPTION OF INTERVIEW WITH HARRY J. LOGGAN
in the offices of the State Tax Commission on April 7, 1967.

Mr. Loggan:

I worked for the Highway Department for seven years after graduation from Oregon State College. In 1937 I came to the Tax Commission as an appraiser. I was working under Charlie Galloway and Art Seelander, who was heading up the Assessment and Taxation Division at that time. I worked there until the war started and was away three years during the war period. I returned to the Tax Commission as an appraiser. In about 1949, when Howard Conkle resigned from the Tax Commission, I was appointed supervisor of the timber section. This was not because I knew anything about timber, but it was due to the fact that the young foresters knew practically nothing about taxes. They had just come over from college. I headed up that division until 1951 when I was made Chief Engineer of the Valuation Division. In 1954 the Valuation Division was expanded to include the Utility Division, which had previously been in another division. At that time I was made the Chief Appraiser over all of the divisions. In 1957, when the division was reorganized, I was made Director and since that time I have been Director of the Valuation Division.

Question by Chas. Ogle: When you went to work was Nels

Rogers working with the Commission?

Yes, he was working here then. He was working in the Forestry Section and kind of an unofficial assistant to Charlie Galloway.

When I first started with the division our problems were in helping the assessors in all fields but we devoted most of our time for the first few

years in helping them in the appraisal of city property. We had a small crew but we actually went out and helped them in the appraisal of city property and devoted our time to getting equality within cities. We did not attempt to equalize between two cities in the same county as they were generally so far apart.

As we picked up a few more men our next attempt was to move into the farm properties. We did the same thing with farm property. Trying to get it on the same ratio within the county but not necessarily with the city property within the same county. For the first several years we tried to equalize classes.

At that time there was very little being done on timber except that Nels ~~Ropers~~ would go out and talk to county assessors and give it a quick overview and where their assessments could be improved by some adjustments he would recommend it to them. But he had so few men and the actual value seemed so low at that time that it did not seem to warrant the same effort that some of the other classes did.

Q. Was most of the timber valued on an acreage basis at that time?

Yes. In fact Wallace Eubanks made an investigation about 1948 or 1949 and at that time there were only fifteen counties in the state that had any kind of cruises and they dated back to 1930 or prior to that time. Even where they had cruises the value was primarily on an acreage basis and in the other counties it was either on an acreage basis or you couldn't even tell if it was on the rolls as timber. It was about 1947-48 when Howard Conkle started putting some of his theories into practice. He had felt when he came to the Commission from college that there was some

way that he could get the cruises and get them faster. He and Wallace Eubanks and Bob Oslund started developing methods of cruising timber. They had tests down in Josephine county and they worked with the boys in Douglas county where the county had their own crew. They ran a test in Yamhill county. They were trying to develop methods so that they could do a little faster cruising or estimating to help the assessors. Even at that time there was not enough value involved to be too serious but the assessors noticed that in some of the sales the land valued by the assessor at two or three dollars an acre would be sold for much more than that. Timberlands valued at seven or eight hundred dollars on the taxroll would be selling for fifteen to twenty thousand dollars. So he felt that timber really needed attention.

So when we started in reappraisal in 1951 we intended to go into all classes of property and about that time we discovered some of these sales I mentioned and some of the assessors wanted to put them on the rolls as omitted property. They found that they had the property assessed exactly the same as bare land next to it, but there was no way to put it on.

Q. Did the work you did in 1951 and prior take legislative action or did you do it in connection with other work you were doing?

In 1929 Charlie Galloway actually started the reappraisal program. He started hiring men for the purpose and when I started in there was six or seven of us. We used to go out and work in the counties and it was on a cost sharing basis. But there was no formal sharing and as a matter

of fact I found it necessary to find out some time before the first of the month whether the county or the state would be paying me for my work. Galloway would say: "Go and see if the county has money enough to pay you and if not maybe they will pay your expenses". By doing that he was able to keep a staff about twice as big as he would have been able to do otherwise. We had no formal arrangement until some time in the 1950s but in the meantime Charlie was able to increase his staff on the basis of shared costs. He was thus able to keep his reappraisal program going and it did not take legislation. Commissioner McClain and I went over to the Emergency Board in 1950 and asked for \$50,000 to start the program. We made a presentation and they were quite sympathetic but felt that something like that should be handled by the legislature. So in 1951 we took about the same information to the legislature and asked for twenty-six men and the Governor did not approve our request to the Emergency Board, but did approve asking the legislature for the money. The legislature approved the twenty six men with the understanding that they were to be used in the reappraisal program. Other than this understanding with the legislature, there was no law providing for reappraisal.

The first two or three counties we went into we started the work on an oral contract. The way we started in Klamath county was from a meeting between Commissioner McClain and myself and Ed Geary and Henry Seemon (State Representatives from Klamath county) on the steps of the Capitol Building. They asked that we assist in reappraising Klamath County. Commissioner McClain agreed that if the county would put \$35,000 in their budget the Commission would go along. There had been no estimate or anything. That is the way we started in Klamath. We

were already in Harney and Grant counties on a pre-reappraisal program and those three counties were done without any written contracts.

After Sam Stewart came to the Commission he could see that this was not the proper way to go about it and we began to have written contracts. In the 1953 or 1955 session of the legislature we got legislative authorization to write contracts with the counties. Prior to that it was done under the commission's supervisory powers.

In 1946 the legislature gave quite a boost on their own when they added six or eight positions to the timber section without being asked by the Commission. Later the Commission diverted some of those positions over into farm appraisal and urban appraisals. About that time we picked up Wally Eubanks, Bob Oslund and one or two others, who were assigned to Howard Conkle to get the timber program started.

Then Commissioner Galloway died and in the following session of 1947 there was no one to take the lead in presenting the Tax Commission budget to the legislature. As a matter of fact, it was almost too late to get a budget in when the Ways & Means Committee sent word over to us that they wanted a budget and they wanted us to include another fifty or one hundred thousand dollars to do more reappraisal work.

We still did not have a Commissioner to head up the division, but Art Selander did prepare a budget. However, it did not get into the proper hands at the legislature until too late for introduction. As a result, we did not get our extra money that year. That was in 1947.

In 1949 Commissioner Wharter (Wallace S. "Buck" Wharton, U.S.N.R.) did not ask for any more as he was a little more in favor of having the counties do the work. So it was not until 1950 that we started asking for more money again.

Q. Did the 1947 Forest Products Research Act provide
for a percentage to go for administration?

I think not. Now we have to budget for it separately and of course we had a few people who we could use in the act. At first, we did not have the administration of the Act. It was taken care of in the Income and Accounting Division, although our boys helped them on technical details. Several years later Wally Eubanks took it over before he had the whole division.

Q. Charles Mack, in his presentation to the Tax Study
Committee, said that there were nine foresters in the
department in 1949;. What were the duties of these
foresters?

We only had six in 1949. They were working in cooperation with the counties on reappraisal work. We were in several counties; Grant and Harvey, Douglas and Josephine, with a small crew in Yamhill. This was all before 1951.

The legislators themselves kind of sparked the reappraisal program. After Nels Rogers left, we had Ken Murdock for a year or two and then Howard Conkle came and Howard was by himself. He used to take out the assessors and do some spot cruising and do some adjustment, but he was having to work by himself up until 1946 and I don't know the name of the legislator, but some of them added money for six more appraisers and they intended that they all be foresters. But, as stated before, Seelander siphoned off some for farm and urban appraisals, so Howard was able to hire three or four more foresters.

Axel Seggerson may have been with the Commission as early as 1949. He had been a tax man with Weyerhaeuser so he knew tax matters pretty well. The only trouble with Axel was that he was never able to consider timber in proper relation to other property. It did not matter to him whether other property was assessed high or low, he just knew that timber should be assessed at so much. He had been in the timber tax field so long that it was hard to convince him that it did matter what other property was being assessed at. He was getting equalization in timber taxation and accomplished a great deal in that respect. He did quite a little work in Klamath county but Klamath did have a pretty good cruise at that time -- in fact it was probably one of the better counties at that particular time. I noticed in reviewing Wally's (Eubanks) report that Klamath was one of the better counties in 1949.

We have a terrible time getting assessors to make a blanket increase on any property. When we find that one class of property is out of line we try to get a blanket increase to bring this class up to a proper relation to the other classes. They contend that blanket increases cause inequities. But when values were going down in the 1930s they were going down in almost every county. Harney had about 15% three years in a row and assessors were real happy to make blanket adjustments when taxes were going down.

Q. When the counties were being reappraised, wasn't it a little difficult to get assessors to put the new figures on the rolls?

This was the case in the first few counties, but after that all of our contracts specified that they would do it. I think after the first few they

were pretty good, except in some particular instances. In Jackson county the assessor refused to put orchards on the roll after we had reappraised them because they had never been appraised. The Commission ordered him to put them on and when he refused they ordered the Board of Equalization to put them on, and they refused. So, the Commission had to go down to Jackson county and sit as a Board of Equalization and put them on themselves.

Q. Didn't you have trouble with timber in Douglas county?

Did Bowker refuse to put the full increase on in the first year?

In Douglas county the Commission never did make the reappraisal. Howard Conkle went down and Kliner and his crew of Douglas County employees did most of the work. Bob Kliner afterward formed a company and did contract cruising later and did some work for the Commission. He also did the cruising of the Coos Bay Wagon Road Grant lands appraisal committee in Douglas county. His work was very good.

Q. Hasn't Coos county been the center of much controversy over the years?

Hode Caughell refused to use our values for timber at one time. We had to order him to put them on the rolls at the new values. He thought that we were going too high. We also had our court cases down there. We had (Bob) Geany attack the Commission several times in public meetings.

Q. Did Hode Caughell want to break his county into tax districts according to drainages?

He wanted to follow the ownership concept for setting depletion rates. He felt there was a large company like Weyerhaeuser with a slow rate of cut should have a larger deferment factor than Georgia-Pacific who

were cutting fast and he wanted to break it down in that way. I don't remember whether he actually put them on in that manner or not. After we had studied the figures we decided that there should be a county wide deferment factor. So we worked up the cutting rate for the whole county and came up with those values. Weyerhaeuser appealed and that is how we got into the courts. The Board of Equalization found for Weyerhaeuser and the circuit court decided against them, as did the Supreme Court.

We went along then for a few years on the county wide basis until we became convinced that that wasn't actually fair. We eventually went to a full west side average and then it appeared that the Commission was going to keep increasing that rate. The first session Georgia Pacific and Weyerhaeuser went in with the two different ideas. G-P wanted a fixed rate the same for everybody and Weyerhaeuser was working with Barton and Eymann and trying to put it on the rate of cutting, but since the two were fighting it defeated both bills. The next session the two got together on a fixed rate with some little concession where the long term operator gets assessed 25 percent where the short term operator gets thirty. This is pretty well wiped out and expires in 1976. Very few are getting the lower rate anyway. The concession was pretty well wiped out by the Columbus Day storm.

One thing that happened in 1951 was the first year we had to show timber as a separate item on the assessment roll. Prior to that time it was just shown as land and at so much an acre. You couldn't be sure whether there was timber involved or not. So in 1951 the legislature provided that the timber had to be shown separately. The idea was that in case it had

been omitted the assessor could go back and pick up the timber.

Q. Was that accomplished by assessing timber as personal property?

No, timber was always part of the land and the value of the land included the timber. But you had no way of knowing and sometimes you had bare land and timberland along side of each other and both assessed at the same rate per acre. Our presumption then was that the timber had been omitted. We tried along about 1950 to see if we could assess timber as omitted property, but it was determined that we could not because when we assessed the land we were also assessing the timber and that in effect all that we were doing was to under value the land and timber. So the only change that was made in 1951 was that timber was required to be set out in separate columns so that it was known whether you had timber or not.

I think, however, that in that same year they did define timber that was owned separately. I think that before that time if you owned timber that was separate from the land, it was personal property. In that year they changed that, so if you owned timber only it became real property also.

I noticed in going over our bulletins in 1952 we invited the assessors to put timber apart in a column in some manner. If they didn't have a cruise they were instructed to put a value on the land and if they had any additional value on the rolls to move it over into the timber column. In Umatilla county we didn't get this accomplished until we went in there with a re-appraisal program in the late 1950s. They still had it in one column because they had no information to develop it on. In many instances, timber

was on at only about a third of what it should have been and when we got into the reappraisal program, and an increase in value, this made a double increase.

We had a meeting just yesterday with timbermen going over our appraisal methods. We understood that they were objecting to the way we were handling roads where the value of the roads was in the timber. Well, actually that was not the case. One point was the valuation of thinnings. We admit that there may be some changes needed and we are going to study this further. We may not be giving enough road cost when we value the thinnings. Generally speaking, the industry had been very good on that phase and they have some real competent men handling their tax now. Usually they come in and sit down with us and we meet with them many times during the year either informally or with the Commission. There is much better relationship now than during the transition period.

Circa 1930

The practice of assessing on ability to pay was practiced in many instances with regard to all classes of property. The poor widows and the farmers, in fact all classes of property owners. Timber owners had some justification in trying to hold down their taxes in the face of reductions which were being made for other taxpayers.

My first few jobs I reappraised all of Prineville and worked with Ray Schott in reappraising all of Bend. In some of these places we got unfavorable publicity locally because we nearly always had to reduce the banks and outside service stations like Shell and those, and we nearly always had to raise the poor old lady who couldn't afford the raise. So, it was really unpopular but that is the way it almost had to be because of

the way the assessing had been done.

My dad was elected assessor of Harney county in about 1924-26. As soon as the Tax Commission was created in 1929, he asked them in to reappraise Harney county and that was the first county they went into after Mr. Galloway went in. He sent a couple of his men up there and they hired four local men and reappraised the entire county. It looked like a shotgun appraisal now, but it was pretty good then as Seelander had just completed his first factor book -- so we did have a factor book to use. They went out and mapped the by using a little sketch book and pacing off the distance. There was enough shift onto the city property from the farms that almost cost my dad the election. That was the year that the Democrats went in with a big landslide with Roosevelt and this big reappraisal made the town people all mad.

In the depression days, back in the 1920s, my mother had been working as dad's deputy and no one thought much about it for that was being done most everywhere. But in 1933, when the election came up, this was added to the dissatisfaction over reappraisal, and I think he slipped through by only ten or twelve votes. Four years later they had gotten used to the reappraisal and he was elected without difficulty for the next twenty years. They finally appreciated the reappraisal. It had not been accepted however before the townspeople had held a mass meeting and hired Charlie Foley to represent them. Art Seelander went up there and spent all of one day with Foley with all of his maps and so forth and Foley went back to them and told them they didn't have any case -- you had better just accept it.

I remember another sidelight to that first reappraisal. We had one man in

town who was a good friend of Dad's and had always been the number one taxpayer. He prided himself on being the first to pay his taxes. He would always get there early on the day taxes were due in order to get receipt number one. That time his taxes were up about four times and he went in and told Loggan that he had always been number one, but this year he was not even going to pay his tax. Two or three months later he went into the assessor's office and told Loggan that he had just paid his taxes. He said that it had just finally soaked through that for all of these years someone else had been paying part of his taxes. From then on people appreciated the reappraisal.

Q. Wasn't the use of the prism method of determining

volume questioned in the hearings held in Eugene in 1958?

Yes. There was not much argument over immediate harvest value but there was tremendous argument over what the deferment factor should be. I don't think they really questioned the prism, although they eventually brought it in. I think they did question volumes. At that time they had a Forest Service estimate and even though it showed a much larger volume of timber in the county than the Commission estimate, they questioned the Commission on its volumes on individual tracts. So, in order to account for the difference, they contended that the Commission must be just missing something there. Projecting this larger volume in the county they came up with a much longer cutting period than using the Commission figures. About three years ago the Forest Service came out and corrected theirs; they had found their mistake and the new volume was fairly close to the Commission. (This was the TRR of the forest service.)

Actually, the major companies down there when talking about their own

volumes found no complaint. Weyerhaeuser said that their totals came to within one percent of ours. But on the total for the county upon which the depletion rate was figured they contended that there was something missing. I do not know whether or not they really thought there was something missing on the total when they recognized that we were doing a good job on their individual holdings.

Q. If the depletion rates had been figured on individual owners, would you have had a problem?

No. I am sure not. I think the whole thing was trying to get the whole philosophy worked out. The board down there and the first assessor, George Stock, went along with the industry; he wanted lower values. He felt that it was good for the county. Then Wifred Smith got in and he went even further than we did the other way, but I think probably Bob Straub helped us as much as any body down there. He could see both sides to it and worked very closely with us.

In 1953 we went over into Benton county and cruised quite a bit of it and worked up values and gave them to the assessor. He put them on and the Board of Equalization cut the values because they were clear out of line with Linn county. Stewart was commissioner then and he said that regardless of the difference what the Commission was doing was equalizing Benton county and we can't consider the others at this time. To be in line with other property in the county the values would have to stand. So we had to issue orders to the Board of Equalization and we finally got them on and they were sustained.

Because of this ruckus we went down to Linn county (Axel and Woody Dammerell) and the values were brought up about one third to get them up

part way to where they should be. We found that the depletion periods were about eighteen years on the close stuff and further back it was something lower.

Q. Was the Benton-Linn county problem the start of the dispute as to depletion rates?

Yes. With so much of the timber from Linn going to Benton it caused dissention between owners in the two counties. In 1953 we were using our own judgment as to what the deferment factor should be, but in 1954-55 we finished up and that is when owners were contending that the factors for the two counties should be the same.

Q. What would be your valuation of the Tax Commission at the time Stewart, Chambers and Smith were the commissioners? Was the Commission pretty well departmentized? Were each of the Commissioners going pretty much on their own?

Yes, except that Smith and Stewart had pretty much agreed that they would support each other. Each of them made their own policy and the staff hardly ever saw the Commissioners not connected with the division in which they worked.

When Chambers first came he had the Utilities and in 1954 they took the Utilities away from him and gave them to Stewart. This left Chambers with Services and hardly anything to do. Stewart had Utilities and Valuation from 1954 to 1957.

We used to get a lot of good advice from Chambers, although he was not the student of tax matters that Stewart was. He knew how the county people felt and how they reacted and could give a lot of good advice on how to get along with those people.