

Committee Members and Staff, thank you for reading my testimony. Land value taxation is an idea whose time has come in Oregon. The implementation of a land value tax can help reverse the incentives against land speculation by creating a disincentive to hold land or deliberately use it for an unproductive purpose (such as maintaining a parking lot in the densest part of Portland's financial district) and help redirect the tax burden away from areas that are more heavily burdened just because they have had their taxes more recently assessed such as new homes in East Portland.

A land value tax can help re-align tax policy towards equity with an added bonus that it will create natural incentives to build housing, commercial, or industrial buildings and amenities in places where they will be most productive. By assessing land value with a shared and predictable rubric we can reduce the contentiousness of fights to rezone areas that come every decade in our growing cities by taking into account not just the opinions of those who stand to benefit, but also have a baseline objective measure of the potential benefit a change in land use could bring to the community.

A land value tax can have compounding benefits as well: rebalancing burdens from inconsistent property taxes increases affordability, taxing land in dense urban areas drives the creation of more housing which increases affordability, the reduction of inefficient uses of land like parking lots or simply empty held properties creates more opportunities for job creation by creating an incentive to explore commercial uses which drives job creation, and last but not least a land value tax is highly complimentary to the concept of an urban growth boundary and creates a natural economic incentive against sprawl into farmland or nature areas if developing urban areas more heavily is more economically (and tax) advantageous.

I look forward to the outcome of the study and I think many of you will be pleasantly surprised by the benefits we may see from adopting a land value tax.