



HJR 13: It's time to address Oregon's property tax inequities

Testimony for House Revenue – Jody Wisner – 3.1.2021

HJR 13 would lower John's taxes and raise Bennett's and mine. This would improve tax equity.

We are concerned that the \$25,000 homestead exemption could prove damaging to jurisdictions where \$25,000 would be a significant percentage of homes' values. Like many bills, the change would likely need some follow-along adjustments. These will be made harder because taxes would remain in the constitution, where taxes do not belong.

But our homes offer a clear picture how of our current property taxes fail Oregon's fairness rules.

John Calhoun lives on a wooded lot, in a neighborhood of larger lots and Doug fir trees and a road that is more of a lane than a street. He pays taxes on 86% of his RMV this tax year.

I live on a wooded lot, in a neighborhood of larger lots and Doug fir trees with a road that is more of a lane than a street. I pay taxes on 36% of my RMV.

Our colleague, Bennett Minton, bought a bungalow three years ago on a standard block in one of the North Portland's trendy, gentrified neighborhoods. When he was shopping, he saw similar houses at similar prices a mile away with tax bills 5 times the one he bought. He pays taxes on 10% of his RMV.

These differences are clearly out of alignment with Oregon's tax fairness goals.



2020-21	Minton Home	Wiser home	Calhoun Home
Assessor's RMV	\$586,000	\$1,003,020	\$723,600
Tax Assessed Value	\$58,000	\$365,750	\$621,540
Taxes	\$1,800	\$5,800	\$13,000
TAV as a % of RMV	10%	36%	86%

HJR 13 would bring these differences in alignment with Oregon's tax fairness goals.

**The weight of property taxes is not “fair”, “evenly distributed” or “equitable.”
It’s time for the legislature to address this situation.**

Oregon Revised Statute 316.003 reads:

The goals of the Legislative Assembly are to achieve for Oregon’s citizens a tax system that recognizes:

Fairness and equity as its basic values; and that the total tax system should use seven guiding principles as measures by which to evaluate tax proposals:

- *Ability to pay;*
- *Fairness;*
- *Efficiency*
- *Even distribution;*
- *The tax system should be equitable where the minimum aspects of a fair system are:*
 - *That it shields subsistence income from taxation;*
 - *That it is not regressive; and*
 - *It imposes approximately the same tax burden on all households earning the same income;*
- *Adequacy; and*
- *Flexibility*

To meet those goals of Oregon’s tax system, any tax must be considered in conjunction with the effects of all other taxes on Oregonians.

It’s time to stop basing our property taxes on 1995 assessed values and instead look at today’s realities. HJR is a worthy idea to explore for referral to the public.