



The League of Women Voters of Oregon is a 101-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

March 1, 2021

To: Rep. Nathanson, House Committee on Revenue, Chair
Rep. Pham, House Committee on Revenue, Vice-Chair
Rep. Reschke, House Committee on Revenue, Vice-Chair
Members of the House Revenue Committee

Email: <https://olis.oregonlegislature.gov/liz/2021R1/Committees/HREV/Overview>

Re: **HJR 13** – Property Tax Adjustment Ratio – **Support**

The LWV of Oregon believes in fair, equitable, and stable tax and revenue policies to adequately fund services and functions critical to Oregonians.

Measures 5 and 50 have greatly hampered the ability for counties and local districts to generate enough revenue for services, and established the system of assessed values rather than a levy on ad valorem property taxes, that are more in alignment with real market value. These measures set the property taxes back to 1995 real market values minus 10% in the late 1997 that could only be increased 3% per year. This poses great inequities in property taxes, where homes or businesses of equal real market value can have vastly different taxes.

HJR 13 would bring these values closer together, a far more equitable way to tax property. It establishes a ratio between the maximum assessed value of a property to the real market value, which must be equal to 0.75. If the ratio is less than 0.75, the maximum assessed value (MAV) of the property would be increased to 0.75 over five years. If such ratio is greater than 0.75, the maximum assessed value of the property would be decreased so that the ratio is equal to 0.75. If real market values (RMV) are going up, the assessed value would be raised, and if they are declining, the assessed value would also decline. The ratio is phased in gradually over five years until 2027, starting with an increase or decrease of just 20% of the MAV/RMV ratio the first year, and increasing by 20% each year thereafter until the full 75% ratio is in effect starting July 1, 2027. After these adjustments, the property taxes would be more equitably stabilized.

In addition, the first \$25,000, (indexed to inflation) of the real market value of each homestead would be exempt starting July 1, 2023. This provision benefits owners of lower priced homes.

Since Measures 5 and 50 were put in the state constitution, if passed, these tax changes would have to be referred to voters for approval in the general election. This creative measure does a lot to correct our unfair and inadequate property tax system.

We urge your support for HJR 13.

Thank you for the opportunity to discuss this legislation.

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