



CITY COUNCIL

555 Liberty St SE / Room 220 • Salem, OR 97301-3513 • 503-588-6255 • Fax 503-588-6354

May 4, 2023

Co-Chair Senator Steiner
Co-Chair Representative Sanchez
Members of the Joint Committee On Ways and Means
Oregon State Capitol
900 Court Street NE
Salem, Oregon 97301

Dear Co-Chair Senator Steiner & Co-Chair Representative Sanchez:

As many of you are aware, Oregon's property tax system is broken and cities around the state have been struggling for decades to provide essential services to residents, while not having a sufficient and sustainable revenue system. As property taxes are the main source of general fund revenue for a city, and are capped, we are in an endless spiral of escalating costs with limited revenue. The only option left to us, is to try and raise taxes locally at the ballot through an income tax or payroll tax. Trying to do so at a time of historic inflation, with a recession looming, will be challenging to say the least.

Salem is a special place for our state. Not only are we the state capital, but we are the second largest city, with the second largest school district. Our residents have done a tremendous job as hosts to the state capitol, state hospital, state penitentiary, and a variety of state agency headquarters. Our residents have tackled the housing and homelessness crisis head-on, so that our capital city can be affordable, clean, and safe to our residents, and to you, our guests. We understand that we are the star on the map, and an example for the rest of the state. But those hosting responsibilities do not come without a cost, and Salem is no longer able to shoulder the bulk of those costs alone.

Over the years, you and your colleagues have been tremendous in helping our city offset the costs of addressing these hosting responsibilities, but until our property tax system changes, we will continue to need help from you, and our asks will be increasing.

If we do not receive help, our micro-shelter communities will close next year. Our Navigation Center will close next year, we will have empty fire stations with no firefighters, and we will have to lay-off police officers at a time when we need more of them, and not less. We will not be able to adequately respond to emergencies in the city, including those at the Capitol

EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Women, minorities, and disabled are encouraged to apply•ADA Accommodations will be provided upon request



CITY COUNCIL

555 Liberty St SE / Room 220 • Salem, OR 97301-3513 • 503-588-6255 • Fax 503-588-6354

building. Our fire department is already well below the expected response time to a critical call, like a heart attack, respiratory distress, or fire.

Until such a time that the legislature or Governor implements a payment in lieu of taxes system for our capital city, like Washington does, I will be here to ask that you consider one-time allocations to the City of Salem, so we can keep our micro-shelter communities and navigation center open. This will free up general fund dollars to be used for public safety priorities.

Thank you again for this hearing. I know that there is no shortage of need in our state, but I believe that if we can get it right in our capital city, it will give hope to all Oregonians that we can get it right everywhere.

Sincerely,

A handwritten signature in blue ink, appearing to read "CH Hoy", written in a cursive style.

Mayor Chris Hoy
City of Salem

EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Women, minorities, and disabled are encouraged to apply • ADA Accommodations will be provided upon request