

HJR 201 STAFF MEASURE SUMMARY

House Committee On Rules

Prepared By: Melissa Leoni, LPRO Analyst

Meeting Dates: 2/13

WHAT THE MEASURE DOES:

The measure proposes an amendment to the Oregon Constitution requiring the Legislative Assembly to enact a state property tax to fund public safety.

Detailed Summary

Proposes an amendment to Article IX, Finance, of the Oregon Constitution to require the Legislative Assembly to impose by law a state property tax to fund public safety. Requires the Legislative Assembly to define taxable property, establish certain processes, and create an administrative entity. Limits the annual tax rate to 25 cents per \$1,000 of the assessed value of the property. Allows the Legislative Assembly to set rates and exemptions for certain classifications of property and taxpayers. Exempts the property tax from Article XI, section 11, of the Oregon Constitution (Ballot Measure 50) (1997), or Article XI, section 11b, of the Oregon Constitution (Ballot Measure 5) (1990). Refers the proposed amendment to the voters at the 2024 General Election.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the Legislative Revenue Office's (LRO) [Oregon Public Finance: Basic Facts](#) (2023), "property tax in Oregon is a local tax. It funds most local services and many functions of county and city governments. Large portions of school districts' and community college budgets also depend on property tax receipts. Taxable property includes real property, mobile homes, some tangible personal property used by business and in the cases of centrally assessed property, intangible property. Some property is exempt from property tax."

LRO's report also summarizes the two ballot measures passed in the 1990s limiting property taxes:

- "Measure 5 is a constitutional tax limitation approved by Oregon voters in 1990. It functions on a property by property basis. It restricts taxes on property per \$1,000 of real market value: the education districts are collectively limited to \$5 and all other districts are collectively limited to \$10. Tax "compression" occurs if the tax extended on a property exceeds either of the Measure 5 limits."
- "In May 1997 voters passed a second constitutional amendment to limit property tax. Measure 50 did not replace Measure 5, but rather established a second level of restrictions. Measure 50 gave each district a permanent tax rate which cannot be increased without a constitutional amendment. However, voters can approve local option levies for up to five years for operations, and up to the lesser of ten years or the useful life of capital projects."

According to the Legislative Fiscal Office [2023-2025 Budget Highlights](#) report, the public safety program area is comprised of state executive branch agencies whose mission is to enforce criminal and civil law and provide for homeland security and emergency management.