



February 12, 2024

House Committee on Revenue

Re: Support for HB 4072

The League of Oregon Cities (LOC) is an intergovernmental association which represents 241 cities across the state of Oregon.

The LOC supports HB 4072, which creates a formula through which cities can receive direct payments from the state for the cost of providing local police, fire and emergency services.

Property tax revenue is the largest and most important source of revenue for almost all cities. Due to constitutional limits imposed by Measures 5 and 50, stagnant property tax revenue has not kept pace with inflation and the cost of providing services.

This bill recognizes the situations that cities like Salem are under, where a significant percentage of land owned by the state is property tax-exempt, so the city receives no revenue from that property, but is responsible for providing emergency services to the visitors and workers.

While the bill starts with the City of Salem, it has an opt-in feature for other cities to receive payments from the state where the state owns qualifying tax-exempt land in the city.

This is an important measure that will create a stronger partnership between the state and cities. We urge the legislature to support HB 4072.

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