

**HB 2079 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Beau Olen, Economist

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 3/11

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**WHAT THE MEASURE DOES:**

Requires the Legislative Revenue Officer to study the Oregon property tax system and submit a report of findings to the Legislature by September 15, 2026.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Prior to the 1990s, Oregon's property tax was a levy-based system. Local governments identified the amount of debt to be repaid and then tax rates were simply the result of dividing this amount by the value of taxable property. The current framework is largely defined by two voter-approved ballot measures which made constitutional changes. Voters passed Measure 5 (M5) in 1990, which capped non-bond tax rates at \$5 per \$1,000 of real market value for school taxing districts and \$10 per \$1,000 of real market value for non-school taxing districts. Permanent and local option taxes are subject to the M5 caps, but bond taxes are not. Then in 1996 voters passed Measure 47, but due to structural flaws, the Legislature crafted Measure 50 (M50), which was passed by voters in 1997. M50 fundamentally changed Oregon's property tax from a levy-based system to a rate-based system. M50 replaced most tax levies with fixed permanent tax rates, reduced the assessed value of each property to 90 percent of its 1995-96 value, and capped the growth of each property's assessed value at three percent per year under most circumstances.