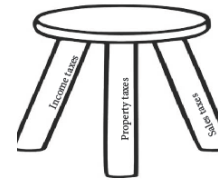


The Oregon Story...

HB 2321 A Chapter Dedicated to Righting a Wrong Representative Paul Evans (HD 20)

• **Part I.**

- Oregon does NOT have the “regular” three (3) legs of a stable tax structure (often referred as a stool).
 - Most US States have income taxes, property taxes, and sales taxes
- Ballot Measure 5 (1990)
- Ballot Measure 47 (1996)/50 (1997)
- Oregon Business (2006) Evaluated reductions at \$41 Billion from local governments*
- State of Oregon backfills policies, programs, and projects now that were once paid for at the local level by local decision-makers
- Oregon NEVER found sustainable replacement revenues



The Oregon Story...

HB 2321 A Chapter Dedicated to Righting a Wrong

Representative Paul Evans (HD 20)

- **Part II.**

- Constitutional and Statutory Requirements
 - Resulting in Significant Redirection of Revenues from Inherently “Statewide” Functions of Government
 - Estimated Doubling in Real Terms, Above Inflationary Impacts, State Funding for K-12
 - Dramatic Decreases in Higher Education, State Police, and Interstate Transportation Because of Redirection of Funds for Local Government Requirements
 - Example A: K-12 went from 28.6% (GF) 1991 LAB to 70.6% (GF) in 1999 LAB
 - Has remained 63-66% since
 - Example B: Public Higher Education went from 14% of GF (LAB) in 1991 to about 7% since
 - Local Government became Increasingly Dependent Upon “State” Funding
 - Recent Inflationary Pressures have Compelled Reductions in Public Safety staffing in Cities and Counties
 - The Existing Framework cannot adjust for Beyond 3% Cost Increases
 - A Culture of Dependence, especially outside the Metropolitan Area

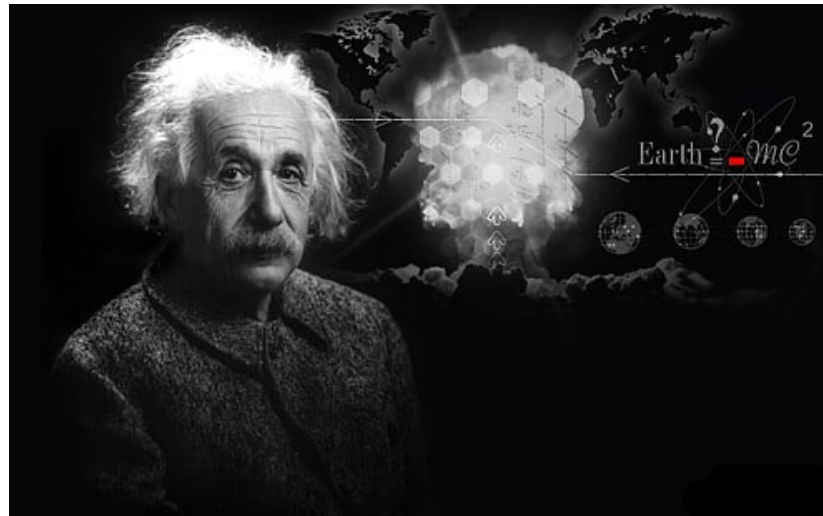
The Oregon Story...

HB 2321 A Chapter Dedicated to Righting a Wrong
Representative Paul Evans (HD 20)

- **Part III.**

- Definition of Insanity

- “Doing the same thing over and over again and expecting a different result.” – Einstein



The Oregon Story...

HB 2321 A Chapter Dedicated to Righting a Wrong

Representative Paul Evans (HD 20)

- **Part IV.**

- Stock Issues Analysis
 - Significance
 - Closer to \$70 Billion unrealized revenues
 - Harms
 - Not-so-benign-neglect in critical education, infrastructure, and necessary services for working families, children, and seniors
 - Inherency
 - Constitutional limits have constrained public resources, and shall continue to constrain, so long as in effect
 - Solvency
 - We need a thoughtful solution – A Task Force is the most appropriate official tool available to us as a Legislature
 - Cost
 - A Task Force can be effectively and efficiently managed for costs; absent action, another two-years of neglect shall be inevitable



The Oregon Story...

HB 2321 A Chapter Dedicated to Righting a Wrong

Representative Paul Evans (HD 20)

- **Part V.**

- HB 2321 establishes 11-Member Task Force
- Study Disparate impacts on historically disadvantaged communities
- Emphasis on rental variation
- Not LIMITED to rental variation only, Downstream Impacts of revenue constraints INTENDED as part of work to be reported upon



Information from Oregon Encyclopedia, “Measure 5 – Property Taxes” by Dr. Mark Henkels