



CITY OF PORTLAND

Budget and Finance Service Area

Mike Jordan, City Administrator

Jonas Biery, Chief Financial Officer

Thomas Lannom, Revenue Division Director

Revenue Division

111 SW Columbia Street, Suite 600

Portland, Oregon 97201-5840

FAX (503) 823-5192

PHONE (503) 823-5157

TDD 711

www.portland.gov/revenue

To: House Revenue Committee

From: City of Portland

Date: January 28, 2025

RE: Opposition to House Bill 2119

Chair Nathanson, Vice Chairs Reschke and Walters, and Members of the Committee,

House Bill (HB) 2119 makes changes affecting the operation of the Oregon Tax Court with implications for local tax jurisdictions. HB 2119 provides standing to organizations or associations to bring suit on behalf of their members.

This bill provides standing to organizations or associations to bring suit for declaratory relief on behalf of their members who are adversely affected or aggrieved by a tax authority. Standing is allowed where one or more members are adversely affected or aggrieved by the subject of the request, the protection sought is relevant to the organization or association's purpose, and its members are not required to participate in court proceedings due to the nature of the claim and the relief requested. The bill is essentially a restatement of the holding in *Hunt v. Wash. State Apple Advertising Comm'n*, 432 U.S. 333, 343 (1977) but attempts to strengthen it through codification instead of leaving the issue of associational or organizational standing to the courts. This is particularly troubling in its application to tax cases which are wholly dependent on individualized facts.

As written, it provides no guidance and sets no limits on what tax issues can be brought before the court for declaratory relief. An organization or association can bring suit seeking declaratory relief from any new or longstanding tax provision for any reason and applied to any of its members.

It will bring new litigation rather than reducing litigation. Suits often turn on the facts and circumstances of each individual taxpayer and will continue unabated, now with the backing of industry organizations. The likely increase in litigation will stress the resources of local tax administrators increasing the cost of administration.

Courts typically render decisions based on the application of tax law to the facts and circumstances in each case. Even where a tax law may offend the United States Constitution, where the offence is not egregious, courts often allow the law to stand. One example is the use of apportionment to determine how much income can be subjected to a state or local jurisdiction's taxation. While some suits seeking a declaratory ruling may be easily decided, many may require specific and actual facts and circumstances to be rightly decided.

Have questions, need translation, or interpretation? Call (503) 823-5157 or send a secure message online at Pro.Portland.gov.

Traducción e Interpretación | Biên Dịch và Thông Dịch | 口笔译服务 | Устный и письменный перевод | Turjumaad iyo Fasiraad | Письмовий і усний переклад | Traducere și interpretariat | Chiaku me Awewen Kapas | अनुवादन तथा व्याख्या

Tax law affects each taxpayer differently. Some taxpayers pay less while others pay more depending upon their peculiar circumstances and the application of the law. If an organization or association sues for declaratory relief on behalf of one member, it may be pitting the interests of one or more members against the interests of other members. This appears to be an undesirable outcome with unintended results for the members and possibly even the organization or association.

Please do not advance a measure that may have unintended consequences for both taxpayers and local tax administrators. Please oppose HB 2119.

Sincerely,

Thomas Lannom, CPFO
Revenue Division Director
City of Portland