

Testimony of Brian Kennedy, Chief Financial Officer

Testimony on HB 2110

House Committee on Revenue

January 30, 2025



We ask you to oppose House Bill 2110 which poses significant challenges to Oregon Metro’s ability to effectively address critical regional issues, particularly in funding programs like the Supportive Housing Services. The hindering of Metro’s ability to implement income taxes would directly undermine the region’s voter-approved efforts to combat homelessness and provide vital services to vulnerable populations.

The Supportive Housing Services program, funded by Metro’s personal and business income taxes, provides critical resources to combat homelessness, support affordable housing, and offer mental health and addiction services. Inhibiting Metro’s ability to administer this tax could result in a significant loss of funding, potentially dismantling programs and progress that thousands of individuals rely on. According to data provided by Metro counties, interventions through September 2024 include 6,680 households placed in housing, 15,854 eviction preventions, and 1,810 shelter units created or sustained across Clackamas, Multnomah, and Washington counties via SHS measure funds.

As currently drafted, HB 2110 takes decision-making power away from local entities and stakeholders best equipped to address homelessness and housing crises, centralizing control at the state level and risking a one-size-fits-all approach that may not work for the region. HB 2110 disregards this democratic mandate by hampering Metro’s ability to levy income taxes in alignment with voter-approved priorities, a marginal tax on high earners.

The bill appears to eliminate any other adjustments to Oregon net income (a very imprecise term which is part of the problem). Further confusing the matter, Metro and its tax administrator, the City of Portland Revenue Division, believe that the bill could add tens of thousands of new individual taxpayers in lower income brackets. It also eliminates several statutory exclusions in state law. PERS distributions and insurance producers could now be subject to local taxation, also increasing tax revenues, and not in alignment with what voters approved.

Finally, HB 2110 sets a dangerous precedent for limiting local government authority to address regional challenges. If Metro’s ability to manage the Supportive Housing Services Tax is diminished, other local governments in Oregon may face similar limitations in their ability to implement voter-approved policies tailored to their communities.

Metro believes that this is a “yes, and...” moment with respect to policies to address housing and homelessness. It does not make sense to eliminate one of those tools through this or any other legislation. We urge you to vote no on House Bill 2110.