



CITY OF TANGENT

P.O. Box 251
Tangent, OR 97389
www.TangentOR.gov

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House Committee on Revenue
Oregon State Capitol
900 Court Se. NE
Salem, OR 97301

January 30, 2025

RE: Support for M5 and M50 Impacts Task Forces

Dear Chair Nathanson and Members of the House Revenue Committee,

House bills 2321, 2333, 2334, and 2335 would create task forces to study the impacts of Measure 5 and Measure 50 on disadvantaged communities, local governments, public education, and alternative revenue sources. The City of Tangent strongly supports the state study impacts of Measure 5 and Measure 50 as it greatly impacts cities. Property tax reform has been a longstanding priority for cities since the passage of M5 and M50. Property taxes are the largest source of revenue for cities, with \$1.9 billion collected in FY 2023-24. Property taxes play a vital role in funding capital projects and the essential services that cities provide, including police, fire, roads, parks and more.

Measure 5 and 50 are both now more than 20 years old. Measure 5 limits the amount of revenue cities and other government entities can raise for critical services. It has led to millions of dollars of compression losses every year. Measure 50 has not allowed cities to grow with their needs, the market, or inflation since property tax values can only grow 3% yearly.

In the City of Tangent, we have been stuck with no tax base since we had a zero tax rate when Measure 5 and 50 were enacted. Without a tax base, we have limited government services. We heavily rely on grants to meet the unfunded mandates from the State of Oregon, which puts a higher burden on the two staff that the City of Tangent employs.

Additionally, we have struggled with homelessness without having any resources to assist them. We cannot afford a contract with the Linn County Sheriff's Office to enforce our city ordinances, so we rely on the City Manager to issue citations and appear in the County Justice Peace Court. We also rely on independent contractors to maintain our STEP Septic System, our only utility service. Engineer, Planner, and Attorney are all

City Hall
32166 Old Oak Dr.
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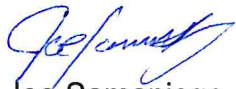
www.TangentOR.gov
Phone: 541-928-1020

Office Hours
Monday – Friday
9:00 A.M. – 4:00 P.M.

Independent Contractors, and we place most of the cost on businesses and residents that use their services.

We support the Legislature diving into the impacts of M5 and M50 and stand ready to partner with the state to make meaningful property tax reform.

Respectfully,

A handwritten signature in blue ink, appearing to read "Joe Samaniego".

Joe Samaniego
City Manager