

January 30, 2025

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

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 Toledo 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% every year. In the City of Toledo, housing prices have increased up to 300% and yet, our revenues remain not just stagnant but woefully inadequate to keep up with inflation and market forces. The actual property tax rate of growth is much closer to 2.5% than even the 3% under measures 5 and 50. This downward spiral has been the primary factor in losing Parks and Recreation services, Pool services, and many other services that were a mainstay of life in our Town. We are now facing the need to outsource Dispatch and other services in the near future.

Property Tax Reform must be taken up as a serious matter if our cities, both large and small, are going to be able to thrive in the future.

The City of Toledo supports the Legislature diving into the impacts of M5 and M50 and stands ready to partner with the state to make meaningful property tax reform.

Respectfully,

Rod Cross
Mayor
City of Toledo