

1/30/2025

# CITY OF YONCALLA

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 Yoncalla 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 Yoncalla the most pervasive impediment to housing production is the extremely low tax on vacant and underutilized sites. This encourages owners to hold onto their parcels while land values continue to rise, then capture the windfall gain (unearned equity) when it's time to sell. Owners have no financial incentive to build new housing or upgrade existing units because an assessment increase will result in higher tax liability.

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,

  
Jennifer Bragg