



February 21, 2025

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

RE: HB 3163: Special Assessment for Seniors

Dear Chair Nathanson and Members of the House Revenue Committee,

LOC opposes HB 3163. The bill would create a county option special assessment for seniors over the age of 62 years old. While LOC supports the goal of helping our aging population age in place and have stable housing, we do not believe it should be paid out of the property tax system unless it is a city option.

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. They are also a key revenue source for counties, special districts and school districts—providing a portion of the state’s education budget. The current property tax system is broken and in need of repair due to Measures 5 and 50, which are both now more than 20 years old. Measure 5 put 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 for cities. 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.

We urge you to consider the following amendments to HB 3163:

1. Make this exemption a city option or at least provide an explicit pathway for the city and county to collaborate on whether the special assessment is appropriate for their shared community.
2. Provide a means test based on income of those who need an exemption the most. Some seniors still work while others are on fixed incomes. Some seniors over the age of 62 may have enough income to pay their property taxes.
3. Provide a threshold for the value of home that can qualify. Some seniors own large homes and other cottages. If a senior lives in a multimillion-dollar home they should not benefit from a program meant to help those who are struggling the most.
4. End the property tax exemption for a surviving spouse if they get remarried.

Respectfully,

Jenna Jones
League of Oregon Cities
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