

Honorable Chair and Committee Members,

Thank you for the opportunity to submit testimony regarding Senate Joint Resolution 1, which proposes a property tax freeze for Oregon residents over 65 years of age. While I acknowledge the genuine concerns regarding housing security for seniors on fixed incomes, I respectfully oppose this resolution for several substantive reasons related to fiscal sustainability, intergenerational equity, and the availability of existing targeted assistance programs.

Primary Concerns

Fiscal Impact on Local Governments

Property taxes serve as the primary revenue source for local governments, funding essential services including schools, emergency services, infrastructure maintenance, and community programs. A blanket freeze for all residents over 65 would significantly and increasingly impact local government budgets over time, particularly in communities with higher concentrations of older homeowners. This could lead to:

- Diminished quality of public services that benefit all residents, including seniors
- Shifting tax burden to younger residents and businesses
- Reduction in funding for critical infrastructure maintenance and improvements

Wealth Disparity Among Seniors

The proposed resolution applies a one-size-fits-all solution that does not account for the significant wealth disparities among Oregon's senior population. Many seniors have benefited substantially from property value appreciation over the past decade. For example:

- The median home value in Oregon has increased approximately 87% in the past 10 years
- Many long-term homeowners have accumulated substantial home equity
- A significant percentage of seniors are financially secure with adequate retirement savings

Providing tax benefits to all seniors regardless of financial need would disproportionately benefit those who already have greater financial security.

Current Property Tax Limitations

Oregon's current property tax system already includes significant taxpayer protections:

- Measure 50 limits annual assessed value increases to 3% per year
- This existing cap ensures predictability for homeowners, including seniors
- The 3% maximum increase aligns with typical cost-of-living adjustments that many seniors receive annually through Social Security and other retirement programs

Alternative Approaches

Rather than implementing a blanket freeze that creates structural fiscal challenges, I urge the committee to consider more targeted and sustainable alternatives:

- Expand the existing Senior Property Tax Deferral Program, which allows qualified seniors to defer property taxes until the property is sold
- Implement means-tested property tax relief that directs assistance to seniors with demonstrated financial need
- Create a circuit breaker program that provides relief when property taxes exceed a certain percentage of household income

Conclusion

While I deeply respect the intention to support Oregon's senior population, Senate Joint Resolution 1 represents an overly broad approach that could create significant fiscal challenges for local governments while providing unnecessary benefits to financially secure homeowners. The resolution fails to account for Oregon's existing property tax limitations and the significant home equity wealth many seniors have accumulated.

I encourage the committee to reject Senate Joint Resolution 1 and instead explore more targeted, sustainable approaches to addressing genuine cases of property tax hardship among vulnerable seniors. Such focused solutions would better serve both our senior population and the broader community interests.

Respectfully submitted,

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