



SJR 2 & SJR 21: It's time to address Oregon's property tax inequities

Testimony for Senate Finance and Revenue – Jody Wisner – 2.20.2019

John Calhoun lives on a wooded lot, in a neighborhood of larger lots and Doug fir trees and a road that is more of a lane than a street.

He pays taxes on 72% of his RMV.

Like John I live on a wooded lot, in a neighborhood of larger lots and Doug fir trees with a road that is more of a lane than a street.

I pay taxes on 35% of my RMV.

Our colleague, Bennett Minton, bought a bungalow last summer on a standard block in one of the North Portland's trendy neighborhoods for nearly \$600,000. His property tax is virtually frozen at \$1740. He pays taxes on 12% of his RMV. When he was shopping, he saw similar houses at similar prices a mile away assessed for \$8,000 in property tax.

These differences are clearly out of alignment with Oregon's tax fairness goals.

Oregon Revised Statute 316.003 reads:

The goals of the Legislative Assembly are to achieve for Oregon's citizens a tax system that recognizes:

Fairness and equity as its basic values; and that the total tax system should use seven guiding principles as measures by which to evaluate tax proposals:

- *Ability to pay;*
- *Fairness;*
- *Efficiency*
- *Even distribution;*
- *The tax system should be equitable where the minimum aspects of a fair system are:*
 - *That it shields subsistence income from taxation;*
 - *That it is not regressive; and*
 - *It imposes approximately the same tax burden on all households earning the same income;*
- *Adequacy; and*
- *Flexibility*

To meet those goals of Oregon's tax system, any tax must be considered in conjunction with the effects of all other taxes on Oregonians.

The weight of property taxes is not “fair”, “evenly distributed” or “equitable.”
It’s time for the legislature to address this situation.



<u>Calhoun Home</u>		<u>Assessor’s RMV</u>	<u>Wiser Home</u>		<u>Minton Home</u>
\$810,770			\$948,170		\$478,860
\$586,000	Tax Assessed Value		\$336,000		\$58,000
72%	TAV as a % of RMV		35%		12%
\$17,580	2019 increase in TAV		\$10,080		\$1,740

Why? The value in 1995!

\$296,000	1995 -10% TAV	\$174,000	\$29,000
273%	% Increase in RMV	545%	1966%

In 1995 assessors saw the Calhoun home as a nicer home in a stable, better West Hills neighborhood with no chance of further development.

The Wiser home was a nice but smaller home sitting on an acre in a small, rural neighborhood with no public utilities. Each home needed a well and septic system. Today the neighborhood is surrounded by hundreds of \$600,000 to \$900,000 homes. With the houses came a street and utilities -- abutting the property. Today there is room to add four homes to the lot. Nearly every nearby home has at least one highly educated high-tech worker. Their children fill Beaverton School District’s highest-rated schools. Both of these have added exponentially to the home’s value.

The Minton home, a lovely older bungalow, is in a rapidly gentrifying, trendy North Portland neighborhood where the best deals in property taxes now exist.

It's time to stop basing our property taxes on 1995 assessed values and instead look at today's realities.

We read the bills and follow the money

