



CITY OF
PORTLAND, OREGON

Charlie Hales, Mayor
Amanda Fritz, Commissioner
Nick Fish, Commissioner
Dan Saltzman, Commissioner
Steve Novick, Commissioner

March 7, 2013

Representative Phil Barnhart, Chair
House Committee on Revenue
900 Court St. NE
Salem, OR 97301

Re: Support for HJR 8 & HJR 13

Dear Chair Barnhart and Members of the Committee:

We write to offer the City of Portland's support for referrals of constitutional amendments to help restore fairness and equity to Oregon's property tax system. Specifically, we urge your support for allowing voters to approve local option levies outside of compression, applying rates for such local option levies to real market values, and requiring a property's assessed value to be reset to its real market value when sold.

Oregon's property tax limitations can obstruct the will of local voters. Residents whose property is in "compression" are essentially prohibited from paying for essential services, even if they vote to support them. For example, the City of Portland's Children's Levy, which provides funds to improve childhood learning and reduce child abuse and neglect, will collect only 53.7 percent of the taxes it would receive without compression this coming year. Furthermore, property tax limitations mean that voter approval of the Multnomah County Library District last November triggered a significant portion of the City of Portland's current budget deficit. These effects are not isolated to the City of Portland – compression hurts school districts and other local governments throughout Oregon.

The Measure 50 rule tying assessed values to 1995 levels also results in cases where properties with comparable real market values in different neighborhoods have widely divergent assessed values and thus, very different tax bills. The City of Portland supports providing more equity in Oregon's property tax system amongst similarly valued properties.

HJR 8 would empower voters to approve local option levies for vital services without a portion of the funds being lost to compression. The City of Portland also supports amending HJR 8 to apply local option levy rates to real market values so that equally valued properties pay comparable amounts toward the levy.

We also support HJR 13, which would ask Oregon voters whether to reset assessed values to real market values at the time a property is sold. HJR 13 will correct significant inequities in tax bills

between similarly valued properties over time, while restoring lost revenues to vital public services like schools and public safety.

We urge your support for asking voters to approve proposals to restore fairness and equity to Oregon's property tax system. Thank you for your consideration and the opportunity to comment.

Respectfully,



Charlie Hales
Mayor



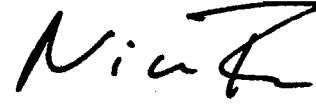
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