



March 6, 2013

House Revenue Committee  
900 Court Street, NE, HR A  
Salem, Oregon 97301

**RE: Support of HJR 8 – Voter Control Referral**

Hon. Chair Barnhart and Committee Members

The City of Hillsboro strongly supports adoption of HJR 8 by the Legislature in 2013. HJR 8 proposes an Oregon Constitutional amendment that would authorize local taxing districts to seek voter approval of local option taxes that would not be subject to compression caused by the effects of Ballot Measure 5 (1990).

Property tax compression, caused by Measure 5 limitations on assessed property values in areas subject to local taxes, can substantially reduce revenues received from local option tax, thus, robbing voters of the full benefit of the approved tax. If adopted, HJR 8 would assure voters commitment to funding resources they approve when voting for local option taxes would not be undercut by the effects of compression.

Property tax compression creates inequity in the payment of taxes required by such local option taxes among taxpayers whose real properties are subject to the taxes but have, and have not yet, reached compression levels. Compression will allow owners of such latter properties to escape full tax payments due to compression caps.

Hillsboro voters have successfully passed four consecutive local option taxes. The most recent was passed overwhelmingly by 78%. However, despite strong voter support, under the current property tax system, *payment* of local option taxes may be limited and, thus, voters prevented from funding the services they voted to support. HJR 8 adoption would protect the integrity and full effect of a favorable democratic vote, itself, on a local option tax in areas where compression has occurred.

Approval of HJR 8 will not increase taxes on voters, but rather, will secure the full integrity of their votes to approve local option levies.

Thank you for your consideration this testimony.

A handwritten signature in black ink, appearing to be 'Jerry W. Willey', written in a cursive style.

Jerry W. Willey  
Mayor