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**Testimony concerning 2015 Oregon SJR 15, 3-11-15**

Senators, Staff, and Assembled Citizens:

My name is Jeff Strang. I'm the chair of Common Ground Oregon-Washington, and drafted SJR 15, with the able assistance and chief sponsorship of Sen. Shields, to address a number of problems in our state. First, because Oregon is desirable, and has been for several decades, our land price inflation has been averaging 8% a year, which increasingly makes land ownership unaffordable for poor and middle class folks. Second, because of our high land price inflation, many landowners are financially able to sit on their land without developing or improving it toward the zoned maximum, which wastes government-provided infrastructure in the form of roads, sewers, water, mass transportation, etc., and works against our Statewide Planning Goals and Guidelines, which call for the use of tax incentives to increase population densities in urban areas and combat urban blight. Third, high price inflation in an economically inelastic system such as the land market risks price bubbles that can burst, disrupting the entire economy, as we saw in 2007 and 2008. Fourth, a regular dividend to our legal residents, such as Alaska has with its Permanent Fund dividend, can help the homeless and poor afford a home, a decent home, better health, and better education. Fifth, a regular dividend to our legal residents would boost many people and families out of poverty, so they'd require fewer government services, saving on government expenditures.

This bill would allow a statewide conversation about democratizing private land ownership by letting all legal residents of 1 year or more share in our excessive land price

inflation, stabilizing land prices and giving more people a stake in our state. Poor families would especially be helped, since they would have more dividends coming in. At an annual rate of 4% of real market value for privately owned land, the resulting dividend at today's prices would be \$200 per month per resident, not so much to encourage a big surge in immigrants or births, but enough to lift a significant number of people out of poverty and make housing much more affordable for the poor, who tend to live in structures such as apartment buildings that make efficient use of land.

A land value fee would increase costs of production for businesses operating on high-value land, but not to the extent of our neighbors with their sales taxes of 6% or more.

Yes, a single elderly person living in her family home on a city residential lot would pay more in a 4% land value fee than she would get back in a single dividend. But with our property tax deferral system for the indigent, coupled with the financial encouragement for other dividend receivers to live with her and decrease her social isolation, significant negative effects would be avoided.

In conclusion, I urge you to consider placing this measure on the 2016 ballot so we can vote on allowing this innovative systemic solution to a number of our problems.

Thank you.