



Finance Department
500 SW Madison Avenue
PO Box 1083
Corvallis, OR 97339-1083
(541) 766-6990
Fax: (541) 754-1729

May 5, 2015

Chair Barnhart
Members of the House Committee on Revenue,

RE: HJR 12 and HJR 20 (via email)

I have worked for the City of Corvallis since fall 1990 – just before Ballot Measure 5 passed statewide. The current property tax system is broken. It is nearly impossible to explain to community members. Differences in assessed values means next door neighbors may pay very different taxes. Artificially defined assessed values that are approaching 20 years old have not kept up with the progress and demand for services communities face. Communities are not able to define their own future by either increasing permanent tax rates or by voting to tax themselves more than the Measure 5 limits. Many people believe local governments get 3% more in tax revenue each year, but in Corvallis assessed value has grown 3% or more in only 7 of the 18 years since Measures 47/50 passed statewide.

Corvallis, like other communities in Oregon, has pursued local option levies to fund basic services. This mechanism certainly gives voters the ability to control government spending, but it also leads to voter fatigue as each ballot seems to have a city, county, special district, or school district tax measure as these entities attempt to provide the services its constituents want. Voters are asking why the City can't just increase its tax base permanently instead of asking for more money every four to five years.

HJR 20 does not fix the property tax system, but it would allow those entities in compression to ask voters to approve higher rates of taxes and have a local option levy outside of Measure 5 limits. Voters should have this option for local control and the ability to choose the future for their community.

HJR 12 does not fix the property tax system, but it would allow property assessed values to be reset at sale – something most people think happens already. While not perfect, it would begin to address some of the disparities of value in the current system, and would allow assessed value to grow by something more than 3% as property values appreciate.

Neither of these bills will solve the local funding challenges currently being faced by so many entities. However, they will begin to move toward a more comprehensive examination of the property tax system and they will begin to address some of the inequities currently in place.

Sincerely,

Nancy Brewer
Finance Director
City of Corvallis