



MAYOR'S OFFICE

555 Liberty St SE / Room 220 • Salem, OR 97301-3513 • 503-588-6255 • Fax 503-588-6354

April 5, 2017

Chair Phil Barnhart
House Committee on Revenue
Oregon State Capitol
900 State Street
Salem, Oregon 97301

SUBJECT: Testimony of the City of Salem in Opposition of House Bill 2363

Dear Chair Barnhart and Committee Members,

The City of Salem strongly opposes HB 2363 as the bill would authorize counties to withhold two percent of the City property tax revenue. This percentage equates to approximately \$1.3M annually, which represents 27 percent of the Library budget, 20 percent of our general fund support to parks and is near the amount required to operate a fire station. Property tax is the largest single source of income to the general fund. Property taxes alone, however, do not provide adequate revenue to cover the cost of public safety services in the City.

As with most municipalities in Oregon, Salem's cost to provide services at current levels is expected to accelerate more rapidly than the growth in revenue. A significant loss of property tax revenue to cities will further exacerbate this dilemma as cities grapple with how to continue to provide the services residents require. Passage of this bill will erode municipal services and the quality of life our residents have come to enjoy.

Sincerely,

Chuck Bennett
Mayor

cc: Steve Powers, City Manager
Kacey Duncan, Deputy City Manager

EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

❖ Reasonable accommodation and accessibility services will be provided upon request ❖
Servicios razonables de alojamiento y accesibilidad se facilitarán por petición