

June 6, 2017

To: Senate Committee on Finance and Revenue  
From: Carol Rulla

RE: Support for HB 2088A

Chair Hass and members of the committee:

I am a Gresham resident and have been involved with Gresham’s neighborhood association program for over 11 years. In that time, I have learned a lot about the inequities in Oregon’s complex property tax system and the challenges to improving the system. HB 2088A provides one small step that the Legislature can make to address some of the inequities for residents of cities like Gresham, and I thank you for holding a hearing on the bill and urge you to move it forward.

As the LRO’s comparison of changed property ratios for cities shows, Gresham has been most adversely affected by the way initial assessed values are calculated for new construction and major remodels. We have older homes in Gresham which have higher assessed values and therefore higher property taxes – in actual dollars, not just as a percentage of real market value – than new homes that are worth far more. Here is one example of the inequity in taxes for three Gresham homes that are immediate neighbors of each other:

<b>Three Neighboring Homes in Gresham</b>		
<b>Homes Built before Measure 50</b>		<b>Home Built after Measure 50</b>
<b>Year Built</b> 1982	<b>Year Built</b> 1995	<b>Year Built</b> 2012
<b>Property Values (2016)</b>	<b>Property Values (2016)</b>	<b>Property Values (2016)</b>
Market Value \$275,080.00	Market Value \$256,170.00	Market Value \$308,750.00
Assessed Value \$209,140.00	Assessed Value \$224,670.00	Assessed Value \$168,370.00
<b>Taxes (2016)</b>	<b>Taxes (2016)</b>	<b>Taxes (2016)</b>
Property Taxes \$3,391.02	Property Taxes \$3,642.82	Property Taxes \$2,729.99

While HB2088A won’t correct these past inequities, it will at least bring new development in cities like Gresham onto the tax rolls at closer to the same percentage of assessed value to market value as existing Gresham properties. It’s a targeted bill that reduces some of the inequities faced by residents of cities that have been most adversely affected Measure 50’s Changed Property Ratio calculations while minimizing the impact on county assessors. I urge you to support HB 2088A.

Thank you for your consideration.