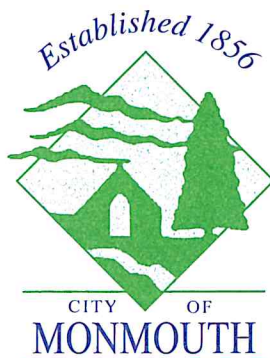


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**Date: February 20, 2019**

**To:** Chair, Senator Mark Hass and Members of the Senate Finance and Revenue Committee

**Re:** SJR 2 and SJR 21

**From: Scott McClure, City Manager, City of Monmouth**

Oregon's property tax system is broken and reform is overdue. We have homes that sell for similar prices in our cities that have very different tax bills. The same is true for businesses. We need property tax reform and starting with restoring equity to the tax system is an excellent place to start.

Reform is very difficult because most of the property tax law (Measure 5 and 50) is in the constitution. We support SJR 21 as it simply would move Measure 50 from the Constitution into statute upon a vote of the people. Once in statute, the law can be revised, and the complex details worked out by the legislature and stakeholders.

We also support the goal of SJR 2 which seems to be to restore equity by moving valuation of properties back to at least 75% of real market value for property tax assessment purposes.

The bill would also provide primary residences with a partial homestead exemption to temper the change to real market valuation. The details of the exemption will be important, and we look forward to continued discussions.

We understand these bills are starting places and we thank the committee for beginning work to address the unfairness and complexities of our property tax system.

In the City of Monmouth, another property tax challenge relates to the sheer volume of land held by Western Oregon University and other non-profit institutions. This results in a significant portion of the City's "assessed value" property holders who do not pay their portion of costs to support services they receive. A bill that would provide for some type of 'in lieu' or proportionate mechanism for these institutions to share in the cost for which they are subsidized by other tax payers would be extremely welcome.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott D. McClure".

Scott D. McClure  
City Manager  
City of Monmouth