

Hello,

I'm a current MURP (Masters in Urban and Regional Planning) student at Portland State and I'm writing with excitement in support of this bill to study a Land Value Tax (LVT). As it happens, I wrote a paper this last term discussing LVT and the potential it holds to help Oregon address several issues, including an inequitable tax system, the housing crisis Oregon currently faces, and the need to meet its own land use, housing, transportation and ultimately, climate goals.

Oregon's property tax laws as they are currently written are horizontally inequitable, as homeowners with similarly valued homes do not share equal tax burdens. For instance, properties in rapidly gentrifying neighborhoods often have high values but low property taxes compared to the same type of property in non-gentrifying neighborhoods. The current system is also vertically inequitable, as the tax burden falls more heavily on poor homeowners while creating a "hidden subsidy" for the richest home-owners. Due to the mechanisms restricting property tax bills, these homeowners often do not pay as much as their homes are worth. Since the passage of Measures 5 and 50, this has resulted in revenue shortfalls for critical services like transportation and education.

LVT, meanwhile, holds the potential to spur land owners to intensify their development by land, both by not taxing the structures upon it as much we currently do (thus discouraging development) but also by treating urban land as the precious resource that it is. Urban land should be developed towards its "highest and best use." Intensifying our land use holds a number of key positive externalities. Building more homes can help ease the pressures on housing prices and the housing crisis we currently experience. Intensifying our land use and building more homes can also help our economy by ensuring lots of local, neighborhood businesses have more foot traffic, helping those businesses to not only survive, but thrive. More intense land use in a variety of forms other than single homes also helps to assure that our public transportation systems are viable and well-used (and even ripe for expansion!) which can help to ease issues like congestion and air pollution. These factors working in unison can help us combat climate change by reducing our carbon footprints as a state.

LVT is more equitable because it will place more of the tax burden on asset-rich land owners who currently receive the bulk of the benefits from our current property tax system, and who may have no incentive but to build anything but large single family homes for the highest price, or to resist development in their own neighborhoods, or who hold out from developing for speculative purposes. LVT could spur them instead to build a variety of mixed-use developments, multifamily units, cottage clusters, fourplexes, duplexes, ADUs or really any kind of infill housing that might help to create more affordable homes so we can welcome and house more people who want to live, work, thrive and contribute in Oregon.

While there are many possible positive outcomes with LVT, it is certainly not an easy task to wean ourselves off of the current property tax system, and as such, a study like this could help us to understand better the kind of policy mitigations that may be needed in order to successfully transition to LVT. It is with this in mind I reiterate my deep and abiding support for this bill.

Thank you for your consideration.