

Submitter: michael kilger
On Behalf Of:
Committee: House Committee On Rules
Measure: HJR201

I oppose HJR 201 because for multiple reasons. It opens up Oregonians to more State fiscal control, increases overall taxation, transfers current funding to other uses, and further removes the freedom and incentive of property ownership.

Currently, property taxes are local to meet local needs and thus the citizens are closer to those responsible for raising and allocating those funds. This allows voters to control their local bodies to reflect the wants and needs of the community. Opening up property taxes to the State legislature impairs that system of control and allows the State another fiscal intake mechanism that is difficult for locals to control because the voting power is now concentrated.

Individual taxation is high in Oregon relative to other States and this will drive it higher. We have one of the highest and least progressive income taxes, relatively high property taxes, high taxes in Portland and the Metro counties. Additionally, the gas tax and registration fees are a substantial burden on families. There are also all the passthrough taxes that result in higher prices due to State and local taxes on corporations, in particular the Corporate Activity Tax and the new Paid Leave Oregon tax. Portland government officials admitted as much when they proposed a 3 year moratorium on new business taxes as one idea to help attract business back to Portland. The State of Oregon is continuing to expand government and would this would be one more revenue stream to assist that expansion. Oregon needs to remain competitive with other States and countries and each tax chips away at that competitiveness. Businesses and families have options and when the costs of business and living gets too high, they will vote with their feet.

HJR201 proposed to use the money to fund public safety but all taxes are fungible. This will allow current State public safety funds to move to other programs. Even though funds raised through this 'dedicated' state property tax go to a specific program, it opens up the current public safety funding to move to other State general fund Legislative program expansion. In summary, the State budget will grow. The State needs to learn to live within its existing budget and not continue to increase the burden on businesses and citizens.

Raising property taxes further removes the right of ownership of real and personal property. Property taxes are a never ending and continuously expanding government ownership on property. Government effectively becomes a partner in ownership but has paid none of the capital costs, maintenance costs or risk of ownership yet gets gains no matter the financial status of the property owner. The Government always

get paid first yet the downside of ownership is held by the individual. HJR201 increased that State leverage while providing no benefit to property owners.

In summary, HJR201 increases the State budget through a new and likely-to-expand funding mechanism, reduces citizen local control and continues to put extract resources from we weakening Golden Goose. This will continue to make Oregon less economically competitive for both businesses and families.