



February 13, 2024

House Committee on Rules

RE: Opposition to HJR 201/HB 4075

The League of Oregon Cities (LOC) is an intergovernmental association which represents 241 cities across the state.

The LOC opposes HJR 201, which refers a constitutional amendment to the voters to create a novel statewide property tax.

We recognize the cost of fighting wildfires in this state has ballooned and that the legislature is currently considering a number of proposals to create a stable wildfire funding mechanism, but we are opposed to using the property tax system to that end.

While HB 4075, which would only go into effect if HJR 201 is passed by the voters in the fall, dictates that 80% of the revenue be spent on local providers, we are opposed to the distribution of property tax spending decisions being made by a statewide task force.

And while the tax would be outside the confines of Measure 5 and 50 compression limits, the addition of a new statewide tax could serve as a deterrent to voters passing local bonds and levies. Taxpayers will likely assume that a new public safety funding tax on their property tax bill will benefit their local police and fire departments, but that may not be the case.

We are also concerned about opening the door for the legislature to use the property tax system for state programming, which would be a departure from what has always been a local revenue source.

Oregon's property tax system is complicated, picks winners and losers and increasingly forces local governments to choose between cutting services or raising fees to compensate for stagnant revenue that does not keep pace with inflation.

This measure, while well intentioned, is a band aid fix and serves to kick the can down the road on a comprehensive evaluation of a property tax system deeply in need of an update.

We thank the bill sponsor for bringing this idea forward and providing an opportunity to discuss the revenue challenges local governments are facing because of Measures 5 and 50. We ask the legislature to pause on using a property tax mechanism for wildfire funding relief.