



March 19, 2025

House Committee on Revenue
Oregon State Capitol
900 Court St. NE
Salem, OR 97301

RE: HB 3755: Property Tax Exemption for Seniors over the Age of 65

Dear Chair Nathanson and Members of the House Revenue Committee,

LOC opposes HB 3755. The bill would create a property tax exemption for those over 65 years of age and granting an escalating property tax exemption on qualifying homesteads, that increases by 5% each year that an applicant ages from 65 to 84. While LOC supports the goal of helping our aging population age in place and have stable housing, we do not believe it should be paid out of the property tax system unless it is a city option. The Legislative Revenue Office estimates about 23%, or \$1.2 billion per year, of residential property taxes imposed in Oregon are for senior owner-occupied residences.

Property taxes are the largest source of revenue for cities, with \$1.9 billion collected in FY 2023-24. Property taxes play a vital role in funding capital projects and the essential services that cities provide, including police, fire, roads, parks and more. They are also a key revenue source for counties, special districts and school districts—providing a portion of the state’s education budget. The current property tax system is broken and in need of repair due to Measures 5 and 50, which are both now more than 20 years old. Measure 5 put limits the amount of revenue cities and other government entities can raise for critical services. It has led to millions of dollars of compression losses every year for cities. Measure 50 has not allowed cities to grow with their needs, the market or inflation since property tax values can only grow 3% every year. Cities cannot afford to lose any more of this revenue due to a mandate by the Legislature.

We urge you to consider amending HB 3755 to make this exemption a local option and let communities and their elected officials decide whether to reduce their revenues for this purpose. Additionally, the Department of Revenue currently administers the Oregon Property Tax Deferral for Disabled and Senior Homeowners Program that provides a mechanism for seniors to defer their taxes until they die or sell their home, while keeping local governments whole.

Respectfully,

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