

Frequently Asked Questions

Don't cities already have enough money?

It might feel that way, especially if you haven't seen visible cuts yet. Cities have spent more than a decade cutting and finding efficiencies. At this point, it isn't a spending problem. It's a structural one, built into rules written more than thirty years ago.

For most Oregon cities, property tax revenue is capped at 3% growth a year, while the cost of providing services has risen much faster. Oregon's outdated property tax rules mean that many Oregon communities are losing what has made them a great place to live. It's important to remember that your income taxes go to the federal and state government, not your city or county.

Wouldn't changing the property tax system raise my taxes?

The cost of living in Oregon has increased significantly in recent years and many Oregon families are facing financial challenges. Any future changes to our system need to take into account the impacts on individual households. That's why it is so important that Oregon's leaders take a comprehensive approach to tax reform that ensures nobody bears an unfair burden.

Tweaks to the property tax rules alone won't be enough to create a fair tax system that delivers for our communities. Right now, we're asking Oregonians to learn more about how our tax system works in Oregon so we can begin to have conversations about how to fix it.

Why can't cities just cut more instead?

Most cities already have. After more than a decade of downsizing, staffing reductions, and service cuts, there's little room left to cut without eliminating the services we depend on like road repairs, firefighters, ambulance service, library hours, park maintenance. We're at the point where further cuts mean the loss of the services that make a community livable.

What about the kicker?

The kicker is a separate part of Oregon's tax system, impacting income tax that goes to the state government (not cities). The kicker does have an impact on how the state funds services. As we begin to explore solutions, it will be important to understand how all parts of our state tax system work and how we can make changes that lead to better outcomes for Oregonians.

Is this a Portland problem?

Communities of all sizes are experiencing severe service cuts, and small towns and rural areas are feeling it first and worst.

In the Portland area, the outdated tax system has forced cities to cut emergency response, park improvements, and street repairs at the same time residents are paying more in local taxes. Residents are paying more and getting less, because the rules won't let cities put resources where communities actually need them.

Why does this matter to me if I don't own property?

Everyone benefits from the services cities provide, including people who rent their home. And when cities lose property tax revenue, they often lean more heavily on flat fees and charges, which take a bigger share of income from lower-income households, whether they own their home or not.

Who is behind BrokenTaxSystem.org?

BrokenTaxSystem.org is a project of the League of Oregon Cities, which represents Oregon's 241 cities. LOC is working with cities and partners across the state to help Oregonians understand how the property tax system affects the services they count on. Right now, the goal is to build understanding of the problem. LOC isn't asking anyone to support a specific proposal. Conversations about solutions will come later, with input from communities across Oregon.

What are the next steps?

Right now, we're asking Oregonians to learn about the problems our property tax system has created and help others learn about them too. Share the facts. Talk with your friends and colleagues. And sign up to stay informed as the conversation continues in the months ahead.