LOC Revenue Reform: Data + Fact Library

This library is a sourced repository of facts, data, and examples for use in drafting testimony, op-eds, one-pagers, and other campaign materials.

1. Unfairness and the Assessed-Value Gap

- Statewide, assessed property values typically run 40-60% below real market value, with the widest gaps on long-held or fast-appreciating properties.
    - *SOURCE: Oregon Department of Revenue, FY 2024-25 Property Tax Statistics Report*
- Large corporations and other commercial property owners are taxed under the same rate and assessment rules as homeowners; some commercial and multifamily properties land on the tax rolls at less than half their real market value.
    - *SOURCE: Oregon Legislative Revenue Office, "Oregon's Property Tax System: Horizontal Inequities under Measure 50" and Oregon Department of Revenue, "Maximum Assessed Value Manual"*
- In some parts of Oregon, homeowners can pay 3.5 times (350%) more in property tax than owners of a similar-value home in the same community. This disparity is a result of the Measure 50 assessment system, which lets identical-value properties carry very different assessed values depending on their sale history.
    - *SOURCE: Oregon Legislative Revenue Office, "Oregon's Property Tax System: Horizontal Inequities under Measure 50"*
- Two new student-housing apartment complexes in Eugene, together appraised at nearly $90 million in real market value, were placed on the tax rolls at just $36 million in assessed value in 2024 — less than half their actual worth.
    - *SOURCE: City of Eugene newsflash (April 2024)*
- A large distribution warehouse in Gresham had a 2025 real market value of $23.36 million but an assessed value of just $8.92 million, so it is taxed on 38% of what it's worth. Its market value has more than tripled since 2013, while its assessed value has grown about 43%.
    - *SOURCE: Multnomah County Assessment and Taxation, property record R504029 (19786 NE San Rafael St, Gresham), 2025 values*
- One Portland home valued at $412,900 paid $3,819 in annual property taxes, while a second home valued at $856,000 — more than twice as much — paid only $2,469, because of when each home's assessed value was set.

  - *SOURCE: KATU — "Oregon's flawed property tax system is a choice"*
- Example: Two homes assessed identically in 1990 ($150,000) and growing at the same 8% annual rate through 1996 ended up with assessed values of $230,000 and $340,000 by 2014 (because Measure 50 locked in different base years), a difference of $1,050 in annual property tax despite identical market performance.
  - *SOURCE: League of Oregon Cities — FAQ on Measures 5 & 50 (March 2023)*
- Example: Two properties with the same assessed value in 2013 (each owing about $4,500 in property tax) had very different real market values, resulting in effective tax rates of 0.8% and 1.5% of real market value for the two owners.
  - *SOURCE: League of Oregon Cities — FAQ on Measures 5 & 50 (March 2023)*
- A study commissioned by the League of Oregon Cities and conducted by the Northwest Economic Research Center (Portland State University) found that North Portland neighborhoods like Boise and Eliot were taxed on less than 45% of their market value, while East Portland neighborhoods like Powell and Lents were taxed at closer to 75% of market value, largely because North Portland values rose faster after the mid-1990s base year.
  - *SOURCE: East Oregonian, "New study highlights property tax inequities in Portland" (March 2014)*
- A separate analysis found that in East Portland, one property paid $15.74 per $1,000 of value in property taxes, while a Northeast Portland property worth roughly twice as much paid only $4.59 per $1,000. East Portland's median household income ($35,970) was little more than half Northeast Portland's ($61,962).
  - *SOURCE: Common Ground OR-WA, citing Oregonian analysis*
- Portland State University's Northwest Economic Research Center found that $1 in annual property tax savings correlates with roughly $33 in additional home resale value — meaning the tax-assessment gap is effectively capitalized into higher prices for under-assessed homes and lower prices for over-assessed ones.
  - *SOURCE: Common Ground OR-WA / Governing, citing NERC research*
- For a typical 1,600-square-foot Portland home, NERC modeling found that a lower assessed-to-market-value ratio (about 45%) could add roughly $31,000 to a home's resale price, while a higher ratio (about 75%) could reduce a comparable home's value by up to $15,000.
  - *SOURCE: Governing, "Oregon's Confusing Property Tax Rates Favor Higher-Valued Homes"*
- Permanent tax rates locked in back in 1997 vary enormously by city for reasons that have nothing to do with today's needs: Gervais's permanent rate is $8.05 per $1,000 of assessed value, Salem's is $5.83, Keizer's is $2.08, and Gates's is just 28 cents per

$1,000. University of Oregon economist Joe Stone has said the process "created all kinds of anomalies between even neighborhoods within the city."
    - *SOURCE: Statesman Journal, "Why do Oregon schools, cities constantly ask for property tax hikes?" (May 22, 2026)*
- Because new homes are assessed using a "changed property ratio" of roughly half of real market value, a newly built or newly sold $400,000 home can end up taxed as though it were worth about $200,000, while a longtime neighbor's home of similar market value, assessed years earlier, is taxed on a different basis entirely.
    - *SOURCE: Statesman Journal, "Why do Oregon schools, cities constantly ask for property tax hikes?" (May 22, 2026)*

2. How Oregon's Property Tax System Works

- Before 1990, Oregon used a levy-based property tax system. Each taxing district set its own budget and levied a tax rate against the full real market value (RMV) of property in its jurisdiction, so revenue tracked with both local budgets and property values.
    - *SOURCE: Oregon Department of Revenue — "A Brief History of Oregon Property Taxation"*
- Measure 5, passed in 1990, capped property tax rates at $10 per $1,000 of real market value for general government and phased education taxes down to $5 per $1,000 of RMV (from an initial $15 cap).
    - *SOURCE: Oregon Ballot Measure 5 — Wikipedia*
- Measure 47, passed in 1996, first introduced the idea of capping annual property value growth at 3% to prevent local governments from raising assessed values to offset Measure 5's rate caps. Measure 50, passed in a May 1997 special election, repealed Measure 47 while addressing technical problems in how it had been written.
    - *SOURCE: Oregon Department of Revenue — "A Brief History of Oregon Property Taxation"*
- When fully phased in for 1995-96, Measure 5 had cut property tax rates by an average of 51% from their 1990-91 levels. Measure 50, once implemented in 1997-98, cut effective tax rates by a further 11% on average from their 1996-97 levels.
    - *SOURCE: Oregon Department of Revenue — "A Brief History of Oregon Property Taxation"*
- Measure 50 reset assessed values to 90% of each property's 1995-96 real market value and capped future annual assessed-value growth at 3%, except for new

construction, remodeling, subdivision, or rezoning. It also froze each taxing district's tax rate permanently at its 1997 level, not adjustable without statewide voter approval.
    - *SOURCE: Clackamas County — Measures 5 & 50*
- "Compression" occurs when a property's combined tax rate would exceed the Measure 5 constitutional limits. When that happens, local option levies are reduced first. If that isn't enough, permanent tax rates are cut proportionally. General obligation bonds are exempt from compression.
    - *SOURCE: League of Women Voters of Portland — Property Taxes, Compression, and Ballot Measures*
- Oregon is the only state in the country where a property's assessed value does not reset to real market value when the property is sold.
    - *SOURCE: Lincoln Institute of Land Policy – Significant Features of the Property Tax, Oregon Profile*
- Before 1990, county assessors estimated each property's real market value every year to calculate taxes owed, and total property tax collections statewide were rising about 6% a year. If a taxing district wanted more than that, voters had to approve it. That unpredictability, with some tax bills jumping by hundreds of dollars in a single year, is part of what fueled the 1990s tax-limitation ballot measures.
    - *SOURCE: Statesman Journal, "Why do Oregon schools, cities constantly ask for property tax hikes?" (May 22, 2026)*
- New property tax increases beyond the 3% assessed-value cap (a local option levy or bond) require a "double majority": a majority of registered voters in the district must participate, and a majority of those who vote must vote yes. The double-majority requirement does not apply to elections held in November of even-numbered years (general elections). Oregon school districts cannot use local option levies for day-to-day operating costs.
    - *SOURCE: Clatsop County — "Measure 50: Oregon's Property Tax System"*
- New or newly-changed property is not assessed at full real market value when it first goes on the tax rolls. It is assessed using a "changed property ratio," a percentage recalculated each year that approximates how far existing properties' assessed values already sit below market value; as of 2026, that ratio was estimated at roughly 50% in at least one Willamette Valley county.
    - *SOURCE: Statesman Journal, "Why do Oregon schools, cities constantly ask for property tax hikes?" (May 22, 2026)*

3. Local and Regional Examples

- Baker City eliminated ambulance service, cut two police officer positions, and eliminated a finance staff position because of revenue constraints.
    - *SOURCE: Interview — Barry Murphy, City Manager, Baker City (2026)*
- Gold Hill: The city's entire annual property tax revenue, under $175,000, isn't enough to fund a single full-time employee with benefits. Gold Hill no longer has its own police department.
    - *SOURCE: Interview — Lily Morgan, City Manager, Gold Hill (2026)*
- In Newport, the city's aquatic center is often closed when residents want to use it because there is no full-time staff available to keep predictable hours.
    - *SOURCE: Interview — CM Hall, City Councilor, Newport (2026)*
- Nearly 60% of Oregon counties have faced recent budget-driven program cuts, including reduced jail capacity in Coos County and cuts to homeless shelters, outreach workers, and rental assistance in Lane County.
    - *SOURCE: OPB, "60% of Oregon counties have cut programs amid budget crisis" (March 2025)*
- The city of Independence is proposing a new $19.65-per-month fee on residents' water bills to help fund its library, parks, and museum, and has been selling off park land to help cover projected property tax shortfalls. Recurring expenses have outpaced recurring revenue since 2022 and the city has eliminated or left unfilled 11 positions and has spent down its reserves for four consecutive budget cycles trying to keep services running.
    - *SOURCE: Statesman Journal, "Why do Oregon schools, cities constantly ask for property tax hikes?" (May 22, 2026) and City of Independence, "Closure FAQ" (8/27/26)*
- The City of Independence closed most of its city parks and its Heritage Museum in August 2026 due to insufficient ongoing revenue, and the city's public library is scheduled to close after a series of required public meetings. A referendum petition qualified to challenge the fee, which under Oregon law freezes collection until voters decide the question in the November 2026 election. This has left the city without fee revenue in the meantime.
    - *SOURCE: City of Independence, "Closure FAQ" (8/27/26)*
- Albany made cuts across its fire, library, parks, and police departments and ultimately adopted a city services fee to help stabilize its budget.
    - *SOURCE: City of Albany, "How did we get here?"; Albany Democrat-Herald (July 2024)*

- Salem cut library hours starting in January 2024, reducing the main downtown branch by 27% (eliminating Sunday service) and the West Salem branch by 67%, after leaving most library staff vacancies unfilled to absorb a general-fund shortfall.
    - *SOURCE: Statesman Journal (December 2023), via Yahoo News*
- The City of Eugene's general fund was reduced by more than $45 million from 2009 to 2024. The Eugene Public Library has operated with reduced staffing, fewer on-site programs, and eliminated off-site programs since a 15% (nearly $4 million) general-fund cut.
    - *SOURCE: City of Eugene newsflash (April 2024); OPB, "Eugene Public Library copes with budget cuts and fears more are on the way" (February 2024)*
- In Beaverton, residents are seeing higher city fees as the city faces a cash crunch tied to structural revenue limits that it can't fix with local action.
    - *SOURCE: The Oregonian (July 2026)*
- Portland lost $22.8 million to compression in FY2023-24 alone, the largest single-city dollar loss in the state.
    - *SOURCE: League of Oregon Cities — 2025 City Property Tax Report (February 2026)*
- Portland made cuts to parks and police in 2026, including laying off nearly 100 city workers.
    - *SOURCE: City of Portland – Portland City Council adopts final budget for 2026-27*
- Other cities with significant FY2023-24 compression losses include Springfield ($727,247), Albany ($478,241), Salem ($376,016), and Sweet Home ($307,245).
    - *SOURCE: League of Oregon Cities — 2025 City Property Tax Report (February 2026)*
- Smaller cities can lose a much larger share of potential revenue to compression: in FY2023-24, Heppner lost 11.21% of its tax revenue to compression, followed by Moro (9.55%), Weston (9.08%), Boardman (8.62%), and Rufus (7.23%).
    - *SOURCE: League of Oregon Cities — 2025 City Property Tax Report (February 2026)*
- In 2020, Marion County Fire District No. 1 laid off 12 firefighters after a local operations levy expired and voters rejected a replacement. Chief Kyle McMann has called it "the worst day of my fire service career." It took roughly two and a half years, through the levy's eventual replacement in 2021, for the district to retrain and rebuild back to full strength.
    - *SOURCE: Statesman Journal, "Why do Oregon schools, cities constantly ask for property tax hikes?" (May 22, 2026)*
- Marion County Fire District No. 1's service population has grown from about 30,000 when its permanent tax rate was set in 1997 to about 54,000 today, but the permanent rate itself cannot be adjusted for that growth. Chief Kyle McMann

estimates the district loses about $8 million a year compared with what it would receive if taxed on real market value rather than assessed value.
    - *SOURCE: Statesman Journal, "Why do Oregon schools, cities constantly ask for property tax hikes?" (May 22, 2026)*
- The Gervais School District, which receives about 60% of its funding from the state, tried nine times over 30 years to win voter approval for a bond to repair unsafe, aging school buildings. Voters finally approved a $28 million bond in 2024, after district leaders said all schools would otherwise have to close.
    - *SOURCE: Statesman Journal, "Why do Oregon schools, cities constantly ask for property tax hikes?" (May 22, 2026)*
- The Salem-Keizer School District has proposed cutting 120 jobs in its next budget; the Silver Falls School District laid off 60 people mid-year in 2024. School districts in Portland, Beaverton, Gresham, Springfield, and Eugene have all been laying off hundreds of teachers to stay solvent under the current tax structure.
    - *SOURCE: Statesman Journal, "Why do Oregon schools, cities constantly ask for property tax hikes?" (May 22, 2026)*
- When Salem voters approved a 2025 "livability" levy (98 cents per $1,000 of assessed value) for library, senior center, and parks operations, it pushed many Marion County properties into compression. Salem alone lost about $2.2 million to compression from that levy plus another $28,000 on general operations; Marion County lost $51,000; the total compression loss across Marion County increased by about $2.4 million once the levy took effect. Even Marion County Fire District No. 1, a separate taxing district, absorbed some of that compression impact.
    - *SOURCE: Statesman Journal, "Why do Oregon schools, cities constantly ask for property tax hikes?" (May 22, 2026)*
- All 13 public school districts in Marion County, and 15 of the county's 19 fire departments, currently carry a voter-approved bond or levy, showing how dependent local services have become on repeated ballot measures rather than stable underlying revenue.
    - *SOURCE: Statesman Journal, "Why do Oregon schools, cities constantly ask for property tax hikes?" (May 22, 2026)*
- The City of Talent had to eliminate the city recorder position and raise the city's Public Safety Surcharge from $5.66 to $10.50 per month. The City Council intends to place a five-year public safety operating levy on the ballot in March 2027 to take the place of the surcharge increase.

- *SOURCE: Rogue Valley Times, "Talent business owners push back against proposed public safety fee hikes" (July 28, 2026*

4. Public Opinion Research

- In a July 2026 statewide survey, seven out of ten Oregonians (71%) agreed we need to make major changes to the property tax system.
  - *SOURCE: DHM Research, LOC Property Tax Survey (July 2026)*
- In a July 2026 statewide survey, only 34% of rural Oregonians agreed that local governments in their community have the funding needed to provide quality public services.
  - *SOURCE: DHM Research, LOC Property Tax Survey (July 2026)*

5. Scale of the Structural Gap (Statewide Data)

- For most Oregon cities, property tax revenue can grow no more than 3% a year, regardless of how fast the cost of providing services is rising.
  - *SOURCE: League of Oregon Cities — FAQ on Measures 5 & 50 (March 2023)*
- In FY2016-17, more than 65% of Oregon's 241 cities lost revenue to compression, totaling $31.4 million statewide that year.
  - *SOURCE: League of Oregon Cities — FAQ on Measures 5 & 50 (March 2023)*
- During the Great Recession (FY2007-08 through FY2013-14), revenue lost to compression rose 163% for counties, 219% for cities, and 525% for schools statewide.
  - *SOURCE: League of Oregon Cities — FAQ on Measures 5 & 50 (March 2023)*
- Measure 50's first year in effect (FY1997-98) cut city property tax revenue by $17.5 million statewide and cut revenue to all Oregon taxing districts combined by $51.4 million.
  - *SOURCE: League of Oregon Cities — FAQ on Measures 5 & 50 (March 2023)*
- Compression losses statewide peaked at more than $200 million in a single year (2014) as home values fell after the Great Recession and pushed more properties into compression; losses receded somewhat as property values recovered.
  - *SOURCE: Statesman Journal, "Why do Oregon schools, cities constantly ask for property tax hikes?" (May 22, 2026)*
- In FY2023-24, Oregon's cities, counties, schools, and special districts imposed a combined $9.145 billion in property taxes (up from $8.698 billion in FY2022-23).

Cities' share was $1.9 billion, about 21% of the total; schools took the largest share at 40% ($3.7 billion).
    - *SOURCE: League of Oregon Cities — 2025 City Property Tax Report (February 2026)*
- Total compression losses statewide in FY2023-24 were about $155 million: cities lost $48.6 million (31% of the total), schools lost $71.4 million (46%), counties lost $20.8 million (14%), and special districts lost $14.2 million (9%).
    - *SOURCE: League of Oregon Cities — 2025 City Property Tax Report (February 2026)*
- 182 of Oregon's 241 cities (76%) experienced compression losses in FY2023-24, along with 35 of 36 counties (97%), roughly 90% of school districts, and 51% of special districts.
    - *SOURCE: League of Oregon Cities — 2025 City Property Tax Report (February 2026)*
- Cities' combined compression losses over five years (FY2019-20 through FY2023-24) totaled $216 million: $32 million, $36 million, $52 million, $47 million, and $49 million respectively, year over year.
    - *SOURCE: League of Oregon Cities — 2025 City Property Tax Report (February 2026)*
- Statewide real market value (RMV) totaled $1.023 trillion in FY2023-24 and grew 6.1% year over year, while total assessed value (AV) — the value actually taxed — was only $527.1 billion and grew just 4.8%.
    - *SOURCE: League of Oregon Cities — 2025 City Property Tax Report (February 2026)*
- There are approximately 1,222 local taxing districts in Oregon, including more than 1,035 special districts (fire, water, parks, and similar), a number that has grown roughly 12% over the past ten years.
    - *SOURCE: League of Oregon Cities — FAQ on Measures 5 & 50 and 2025 City Property Tax Report*

6. Oregon's Tax System in National Context

- Oregon relies on individual income taxes for 42.3% of total state and local tax revenue — more than any other state — in part because it has no state sales tax. Property taxes make up 26.3% of state and local tax revenue; the effective property tax rate on owner-occupied housing is 0.81%.
    - *SOURCE: Tax Foundation — Oregon*
- Oregon is the only state where a property's assessed value does not reset to real market value when the property is sold.
    - *SOURCE: Governing*