

## Appendix A – Chronological History of Oregon’s Property Tax System

Property tax limitations are a continuing theme in Oregon. The very first tax of any kind in the state was a property tax that was adopted in 1858 prior to statehood. It was immediately repealed as being too unpopular. And in 1930 Oregon voters approved a referendum implementing a personal income tax as a “property tax relief measure”.

A more comprehensive analysis of changes to Oregon’s property tax system can be found in the TSCC report *Recent History of Oregon’s Property Tax System, with an Emphasis on its Impact on Multnomah County Local Governments*. Authored by retired TSCC Executive Director Tom Linhares, the report was issued in December 2011 and is available on TSCC’s web site.

Following is a brief chronological summary of some of the actions and events that have had an effect on Oregon’s property tax system.

- 1845** First involuntary property tax not to exceed one-fourth of one percent established by territorial legislature to establish a county or district.
- 1850** A two “mill” tax imposed on property for distribution to schools based on number of children between the ages of 4 and 21. A mill is a one-tenth of a cent expressed as a rate per every dollar of value so two mills would be two tenths of a cent or \$2 per \$1,000 of value.
- 1854** Oregon tax code updated to make “all property, real and personal, not expressly exempt” subject to taxation, and county commissioners given responsibility for levying property taxes. This marks the beginning of today’s property tax system.
- 1859** Congress admits Oregon as a state on February 14, 1859. State and local government funded by property tax.
- 1909** State Tax Commission was created.
- 1919** Multnomah County Tax Supervising and Conservation Commission created by the Legislature. (The first Commission was organized and formed in 1921.)
- 1929** State Tax Commission given power and staff to secure statewide property tax equity.

## Appendix A – Chronological History of Oregon’s Property Tax System

- 1929** Personal income tax adopted by referendum, Measure 9, Property Tax Relief Act of 1929.
- 1932-35** Depression era resulted in thousands of properties foreclosed statewide.
- 1940** Last year state levied a property tax.
- 1953** Legislature increased powers of the State Tax Commission by giving it supervisory power over administration of assessment and taxation laws and authority to provide uniform methods of assessment. State personnel were hired and the task of re-inventorying and re-evaluating all real property in the state, county by county, was begun.
- 1953** Income taxes placed in State’s General Fund for first time rather than 100% allocation to property tax relief.
- 1954** Legislature authorizes State Tax Commission to set state-wide standards for county tax lot maps.
- 1955** Six-year appraisal cycle came into effect to assure maintenance and quality of inventory data base.
- 1960** Urban renewal program first authorized by amendment to Oregon Constitution. Measure 3, November 8 General Election.
- 1961** Legislature creates nation’s first Tax Court.
- 1963** Legislature enacts Senior Citizens Property Tax Deferral program.
- 1969** Oregon State Tax Commission changed to Oregon Department of Revenue.
- 1970** TriMet transit taxes initiated.
- 1971** Legislature enacts Homeowners Property Tax Relief (HOPTR), an expansion of senior citizen deferral program available to all low-income property taxpayers.
- 1973** Legislature enacts Homeowners and Renters Refund Program (HARRP) and companion Elderly Rental Assistance (ERA) program to provide tax relief for low-income residents, replacing HOPTR program. HARRP was discontinued in 1990. The ERA program still exists.

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The McCall Tax Plan, promoted by Governor Tom McCall, to reduce property taxes and shift burden of paying up to 95 percent of cost for K-12 public education to the state by repealing school tax bases, providing \$10 per \$1,000 state-wide property tax levy and increasing income taxes is defeated at a special election on May 1, 1973. Measure 1.

- 1973-79** Administration of Oregon’s ad valorem tax program was the recognized leader nation-wide.
- 1979** Legislative enactment of HB 2540, a property tax relief measure. Owner occupied property owners were given rebates on property taxes paid of up to \$800 in 1980-81 and smaller amounts in subsequent years. This legislation also abolished the 100% of true cash value standard and created a variable true cash value/assessed value rate. Simply stated, whatever the increase in true cash value, total assessed value state-wide could increase by no more than 5 percent annually. The law was repealed in 1985.
- 1987** Voters approve constitutional amendment to allow school districts to levy property taxes outside of six percent limitation up to amount levied previous year. This “safety net” levy was intended to prevent school closures.
- 1989** Legislature establishes a funding assistance mechanism for statewide property tax administration to offset a severe decline in county budgets caused by recession and lower payments from timber harvest. Funding for the County Assessment Function Funding Assistance (CAFFA) program is provided by a four percentage point increase in the interest rate charged on delinquent property taxes and a real property recording fee.
- 1990** Passage of Ballot Measure 5 (November 6 General Election), an initiative petition which limited property taxes by categories: \$10 per \$1,000 of true cash value for general governments and a five year phase in of \$5 per \$1,000 of true cash value for education districts. The measure made other changes in the administration of the property tax system, including changing the assessment date from January 1 prior to the fiscal year to July 1 and changing true cash value to “real market value”.
- 1995** Full implementation of Ballot Measure 5.
- Legislature creates Magistrate Division within Oregon Tax Court to replace informal administrative appeal hearing by Department of Revenue.

## Appendix A – Chronological History of Oregon’s Property Tax System

- 1996** Passage of Ballot Measure 47 (November 5 General Election), an initiative petition which “cut and capped” property taxes for individual properties and then limited increases in individual property’s tax bill to three percent (3%) per year.
- 1997** Passage of Ballot Measure 50 (May 20 Special Election), a legislative referral to replace Measure 47. Rather than cutting and capping property taxes, the measure cut and capped assessed value. For 1997-98 it cut assessed values to 90% of the 1995-96 real market value and then capped increases in assessed value to no more than 3% per year. Converted the levy based system to primarily a rate based system by converting district’s existing operating levy authority (tax bases, serial levies and continuing levies) into permanent tax rate authority. Legislation to implement the measure made changes in the administration of the property tax system, including changing the assessment date back to January 1 and eliminating six year reappraisal cycle.
- 1999** State-wide effort to convert county tax lot maps to digital format begins.
- 2001** Oregon Supreme Court rules in *Shilo Inn v. Multnomah County*, 333 Or 101, 36 P3d 954, that all urban renewal division of tax amounts were required to be categorized as “general government” taxes subject to the limitations imposed by section 11b, Article XI of the Oregon Constitution.
- 2008** Passage of Ballot Measure 56, a legislative referral to scale back the double majority standard for approving new property tax measures. Elections that are exempt from double majority standard changed from only November election in even-numbered years to elections in either May or November of any year.
- 2010** Passage of Ballot Measure 68, a legislative referral to allow the state to issue bonds to match local school districts’ voter approved bonds. Also expanded the uses of proceeds from voter approved general obligation bonds with a new definition of “capital costs” to include “...land and other assets having a useful life of more than one year...” except “routine maintenance.”
- 2013** Legislature passes HB 2632: Excludes local option taxes approved after January 1, 2013, from consolidated billing tax rate for purposes of computing urban renewal division of taxes for certain urban renewal plans.
- 2017** Legislature passes HB 2088 authorizing city within county with population greater than 700,000 to define “area” as city in which property is located, rather than the county, for purposes of calculating the changed property ratio.

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## History of Values, Taxes Imposed and Effective Tax Rates

Property taxes have been used to fund governmental services since at least 1900 when Multnomah County collected a total of \$1.1 million on a value of \$45 million. A portion of those property taxes were levied by the State of Oregon.

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HISTORICAL STATEMENT OF TAXABLE VALUES AND TOTAL PROPERTY									
Year	County Population	Total Taxable Value	Per Capita Property Value	Total Tax	Effective Tax Rate	Per Capita Taxes	General	Education	
1950-51	471,537	\$ 997,624,394	\$ 2,116	\$ 32,207,179	\$ 32.28	\$ 68	55%	45%	
1960-61	522,813	\$ 2,612,178,726	\$ 4,996	\$ 71,126,380	\$ 27.23	\$ 136	50%	50%	
1970-71	556,667	\$ 4,643,244,365	\$ 8,341	\$ 137,598,136	\$ 29.63	\$ 247	45%	55%	
1980-81	562,640	\$ 16,351,057,369	\$ 29,061	\$ 290,379,549	\$ 17.76	\$ 516	43%	56%	
1990-91	583,887	\$ 20,849,827,083	\$ 35,709	\$ 675,322,761	\$ 32.39	\$ 1,157	44%	56%	
1991-92	599,999	\$ 24,254,159,530	\$ 40,424	\$ 631,150,107	\$ 26.02	\$ 1,052	58%	42%	
1992-93	605,000	\$ 26,591,850,594	\$ 43,953	\$ 617,078,602	\$ 23.21	\$ 1,020	45%	55%	
1993-94	615,000	\$ 28,574,500,232	\$ 46,463	\$ 592,558,858	\$ 20.74	\$ 964	50%	50%	
1994-95	620,000	\$ 31,893,568,978	\$ 51,441	\$ 572,548,321	\$ 17.95	\$ 923	56%	44%	
1995-96	626,500	\$ 36,130,751,708	\$ 57,671	\$ 558,507,607	\$ 15.46	\$ 891	65%	35%	
1996-97	636,000	\$ 40,238,045,494	\$ 63,267	\$ 653,821,673	\$ 16.25	\$ 1,028	63%	37%	
1997-98	639,000	\$ 34,421,372,229	\$ 53,868	\$ 653,119,268	\$ 18.97	\$ 1,022	63%	37%	
1998-99	641,900	\$ 37,057,169,000	\$ 57,730	\$ 713,896,839	\$ 19.26	\$ 1,112	64%	36%	
1999-00	646,850	\$ 39,032,791,000	\$ 60,343	\$ 740,488,164	\$ 18.97	\$ 1,145	65%	35%	
2000-01	662,400	\$ 41,133,501,000	\$ 62,098	\$ 800,298,594	\$ 19.46	\$ 1,208	64%	36%	
2001-02	666,350	\$ 43,544,838,000	\$ 65,348	\$ 851,427,032	\$ 19.55	\$ 1,278	63%	37%	
2002-03	670,250	\$ 44,342,361,000	\$ 66,158	\$ 875,383,097	\$ 19.74	\$ 1,306	62%	38%	
2003-04	677,850	\$ 45,546,304,000	\$ 67,192	\$ 927,794,286	\$ 20.37	\$ 1,369	64%	36%	
2004-05	685,950	\$ 47,321,504,259	\$ 68,987	\$ 963,957,689	\$ 20.37	\$ 1,405	64%	36%	
2005-06	692,825	\$ 49,193,195,419	\$ 71,004	\$ 932,428,285	\$ 18.95	\$ 1,346	69%	31%	
2006-07	701,545	\$ 51,440,278,065	\$ 73,324	\$ 986,852,495	\$ 19.18	\$ 1,407	68%	32%	
2007-08	710,025	\$ 54,303,309,732	\$ 76,481	\$ 1,100,640,097	\$ 20.27	\$ 1,550	68%	32%	
2008-09	717,880	\$ 56,959,073,565	\$ 79,343	\$ 1,126,815,086	\$ 19.78	\$ 1,570	66%	34%	
2009-10	724,680	\$ 59,301,125,312	\$ 81,831	\$ 1,194,674,629	\$ 20.15	\$ 1,649	67%	33%	
2010-11	736,785	\$ 61,027,180,083	\$ 82,829	\$ 1,216,561,720	\$ 19.93	\$ 1,651	67%	33%	
2011-12	741,925	\$ 62,692,645,695	\$ 84,500	\$ 1,238,762,295	\$ 19.76	\$ 1,670	65%	35%	
2012-13	748,490	\$ 64,001,093,024	\$ 85,507	\$ 1,255,355,712	\$ 19.61	\$ 1,677	67%	33%	
2013-14	756,530	\$ 66,174,684,135	\$ 87,471	\$ 1,369,838,717	\$ 20.70	\$ 1,811	64%	36%	
2014-15	765,775	\$ 69,210,609,494	\$ 90,380	\$ 1,449,548,240	\$ 20.94	\$ 1,893	64%	36%	
2015-16	777,490	\$ 72,222,759,453	\$ 92,892	\$ 1,520,142,205	\$ 21.05	\$ 1,955	63%	37%	
2016-17	790,670	\$ 75,636,627,007	\$ 95,661	\$ 1,602,128,025	\$ 21.18	\$ 2,026	63%	37%	
2017-18	803,000	\$ 79,551,601,326	\$ 99,068	\$ 1,779,503,449	\$ 22.37	\$ 2,216	67%	33%	
2018-19	813,300	\$ 82,320,639,760	\$ 101,218	\$ 1,854,536,649	\$ 22.53	\$ 2,280	67%	33%	
2019-20	821,730	\$ 85,904,843,880	\$ 104,541	\$ 1,934,975,524	\$ 22.52	\$ 2,355	67%	33%	
2020-21	816,310	\$ 89,815,140,110	\$ 108,268	\$ 2,047,080,719	\$ 22.79	\$ 2,468	67%	33%	
2021-22	820,672	\$ 92,536,448,190	\$ 108,268	\$ 2,218,661,739	\$ 22.79	\$ 2,468	67%	33%	