

**COMMON  
GROUND:  
OREGON  
RESIDENT'S  
DIVIDEND**  
funded by a  
**LAND-VALUE  
LEASE FEE**

**Our stake  
in our state**

**Common Ground OR/WA**  
**info@commongroundorwa.org**  
**503-752-9494**  
**www.commongroundorwa.org**  
**The Commonwealth**

What we own in common is our commonwealth. In a democracy such as Oregon, voters “own” the natural resources -- we ultimately decide what’s done with them.

When someone uses natural resources privately (excluding others), she/he should rent or lease this privilege from the common-

wealth, rather than paying once for ownership for all time to the previous owner.

In Oregon, private landowners already pay an annual property tax (based on both land and “improvement” value) that funds government services – roads, sewage disposal, law enforcement, courts, schools, libraries, etc. But we the people -- the collective owners of the commonwealth -- aren’t directly benefited.

What if we set up a system to pay a **dividend** to each resident of our state of at least one year – our committed residents? If it’s a significant amount, such as a few thousand dollars a year, it could really help the poor. Homeless could pay rent for an apartment. Children could save for college. Entrepreneurs could get a little extra capital to start or run a business. Convicts’ dividends could be garnished by the state to pay part of their incarceration expenses.

Alaska pays its residents a dividend, normally a few thousand dollars a year, funded by a tax on oil company profits -- basically a lease fee on private use of part of the state’s natural resources. We could do something similar here in Oregon, broadening the concept to include all our natural resources, starting with a lease fee based on land value.

## Productive Use

“But what if the resident is addicted to gambling or drugs?” you might ask. To help ensure a **resident’s dividend** is used for more productive purposes, it could be credited to a charge card like the Oregon Trail Card, now used for the Supplemental Nutrition Assistance Program. Purchases from these cards are restricted. The dividend could be restricted to pay only for basic necessities -- rent, mortgage, basic foodstuffs, medical expenses. For children, half of their dividends could be deposited in an Oregon College Savings Plan account, an investment in their futures.

## Some Real Numbers

If we set a **land-value lease fee** for privately owned land at 4% per year, this would fund a **resident’s dividend** of \$2000 per year at current land prices. **But wait...**if there’s an extra fee involved with land ownership, land prices would come down, so the dividend would be less, maybe \$1200-1500 a year. **But wait again...**if we add a non-profit-owned **land-value lease fee** of 1%, the dividend would be more. And the more people move into Oregon, the more demand for land, and the dividend goes up.

Regardless of the exact amount of the dividend, the land-value lease fee of a typical 5000-square-foot home lot in Portland would equal 2 dividends – a married couple, for example. If there were 5 in the family living on the typical residential lot, they’d be 3 dividend shares ahead.

A **single** owner/resident of a typical residential lot would pay more for the land-value lease fee than he/she would get back with just 1 dividend, but this would be a fair payment to the commonwealth for the privilege of being the sole owner/resident of a 5000-square-foot piece of land. The more people live on (or use) a particular piece of land, the more they can share the burden of paying the land-value lease fee – think of a multi-story apartment building that uses its land efficiently.

Land owners who live out of state wouldn't get a resident's dividend, nor would corporations (they're not people). Non-profit organizations aren't really private, and they're also not completely public; a reasonable land-value lease fee for non-profit owners is 1%. Donors could easily cover any additional lease fee expense by contributing some of their dividends.

## **Current Landowners**

If you're a landowner, you may be thinking, "But don't I have the right to sell my land for more than I paid for it?" Of course, who doesn't want to make a profit? But it's more stable for land prices to remain relatively constant. We don't want speculators holding onto land, hoping the price will go up so they can make a big profit. We need natural resource owners who use their resources sustainably and efficiently. And we don't want real estate bubbles – that can disrupt the entire economy!

Of course, we've got to have a way for a smooth, fair transition to this system so we don't penalize current landowners too much. A transition of 4 years should be enough to go from 0 to 4%.

## **Current Renters**

Some people prefer renting because they don't want the responsibility of ownership. But many more renters would like to be property owners, if only they could afford it. A land-value lease fee would keep land prices down, so that more renters could buy their own homes, invest in living in Oregon and have more of a stake here.

## **Anti-Sprawl**

With a land-value lease fee, landowners who aren't using their land efficiently -- such as speculators -- would be at an economic disadvantage. They'd be paying the land-value lease fee, but not making enough income from the land -- they're holding the land in order to profit from rising land prices, rather than to improve it. So they'd be encouraged to develop their land or sell it, especially in city centers where land value is high. Concentration of development in city centers is encouraged, sprawl discouraged.

## **Occupy Oregon**

This system allows all Oregon residents to "occupy" the land, through a stronger commonwealth.

## **Interested in connecting?**

Give us a call or send us an e-mail to be on our contact list to support this bill in the Oregon legislature, **SJR 16!**

Info we need:

- Name(s)
- Address
- Phone(s)
- Eddress (e-mail address)

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