

AFFORDABLE HOUSING for OREGON: CITIZEN'S DIVIDEND funded by a LAND-VALUE TAX



Our stake in our state

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Affordable Housing

One way to make housing affordable is through the economic system. Taxing private land ownership appropriately and sharing the proceeds among all citizens lowers land prices and gives committed residents a housing subsidy.

Property Tax

Property taxes in Oregon are based on valuing 2 very different kinds of property the same. But when we think about it, ownership of land (part of nature) is actually very different from ownership of the “improvements” and personal property that rest on it.

Land

Land is a part of nature, our commons. We allow private parties to possess a piece of it through legal deeds. We can't easily make more land (increase supply), so if we tax its value, it brings the price down. In economic terms, it's “inelastic”. We need common public land for transportation and utilities, parks and beaches. The rest we allow to be used privately (taxed) or by non-profits (not taxed).

“Improvements”

“Improvements” are structures we build on a piece of land to make it more useful, such as buildings with permanent foundations that aren't easily moved. We allow certain improvements on pieces of land through land use and zoning regulations.

In fact, that's a big part of a piece of land's value in cities. We want the tax on improvements low enough so owners can more quickly build to the zoned maximum, part of the land use plan. Building to the allowed (zoned) maximum reduces pressure to sprawl.

Private Land Ownership

Private land ownership (“deed”) is a privilege we give to occupy and use part of our common natural resources. This is called “enclosure”. Land lords in Europe enclosed land after 1500, evicting serfs from common land. (White) Americans enclosed land, excluding Natives, Blacks, Asians, etc. Private land ownership is more widespread now, but it is not democratized enough. The price of land is too high. In cities, it's often the same price as a house on a typical 5000-square-foot lot. And in rural areas, it's also too high, preventing many prospective family farmers from starting a business.

Affordable Housing

If land ownership were more affordable, our citizens could more easily buy and be more secure in their housing than by renting. If we tax land more to keep its price down, speculators – those looking for a good financial return on their purchase rather than for housing security – would sell, also helping reduce the price.

Oregon's Constitution, Article I, Section 20, says, "No law shall be passed granting to any citizen or class of citizens privileges, or immunities, which, upon the same terms, shall not equally belong to all citizens." Yet we grant the privilege of capital accumulation through land ownership to some of our citizens (those with capital) over other citizens, and even to non-citizens over many of our citizens!

Keeping Land Affordable

Currently, property taxes in Oregon average 1% of Real Market Value (RMV) of both land and improvements. To make land prices more affordable and stable, an additional 1% tax on land RMV – we could call it a "land value lease fee" -- would help moderate land price inflation AND give every citizen an annual dividend (or "basic income") of over \$700 that could be used to make housing more affordable and lower poverty. With kids' dividends half of adults', a family of 4 would get over \$2000/year.

A Citizen's Dividend

Alaska pays its citizens a dividend, a few thousand dollars a year, funded by a tax on oil company profits, essentially a lease fee on private use of part of the state's natural resources. A land-value tax funding a citizen's dividend could do a similar thing here, taxing private use of nature and natu-

ral resources for the benefit of our citizens.

Housing Security

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, to have security of housing. The 1% land-value tax or lease fee would keep land prices down, so more renters could buy their own land.

Oregon Trail Card

To make sure the dividend is used for legitimate purchases, the Oregon Citizen's Dividend could be credited to an EBT card like the Oregon Trail Card. 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, some of their dividends could be deposited in an Oregon College Savings Plan account, an investment in their futures.

Low-income Hardship

For some land owners, for example a single elderly or disabled low-income person occupying a house on a lot in a high land-price place like Portland, the land-value tax might be \$3,000, so the Citizen's Dividend (\$700) wouldn't cover the additional tax. To account for this, the property tax deferral program could be expanded to allow more people to defer property tax

payments until sale or transfer, when the entire land value is received.

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?" No, since land value is determined by the value of land around it, by the community. We want land prices to stay low and stable, so more of our citizens can have security of tenancy. We want development on land, but we don't want speculation, which drives inflation. We want land owners to use the natural resources in their control sustainably and efficiently and for the long term.

A Stake in our State

Through the dividend, our residents would have a financial "stake in our state", and be more interested in participating productively in society. Of course, we need to make a smooth, fair transition, to give time for the market to adapt. A transition of 4 years would be needed.

Interested in connecting?

Give us a call or send us an e-mail to help support this initiative for 2026!

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