

State audit finds mortgage deduction helps the wealthy most

By JAYATI RAMAKRISHNAN
The Oregonian

SALEM — The Oregon secretary of state's office is calling for swift changes to a 99-year-old tax policy that auditors found benefits primarily white, wealthy homeowners in urban counties while leaving thousands of low-income, rural and Oregonians of color to fight for housing assistance.

The state mortgage interest deduction, mirroring the version for federal income taxes, allows homeowners to deduct from their taxable income interest payments on mortgages up to \$750,000, including mortgages on vacation homes. It's Oregon's largest housing subsidy, with an estimated cost of \$1.1 billion to the state's coffers this biennium.

Auditors from Secretary of State Shemia Fagan's office this month finished their first audit of the tax policy in its nearly century-long history in Oregon. They said they found the



Alex Wittwer/EO Media Group, File

A sign marks a home for sale in La Grande on Friday, Nov. 26, 2021. The Oregon secretary of state's office is calling for swift changes to a 99-year-old tax policy that auditors found benefits primarily white, wealthy homeowners in urban counties while leaving thousands of low-income, rural and Oregonians of color to fight for housing assistance.

policy to disproportionately benefit seven counties, all considered urban by state definitions: Clackamas, Columbia, Deschutes, Multnomah, Wash-

ington and Yamhill.

The audit also found that Black, Latino and Native American residents received disproportionately less benefit from the

program than white Oregonians, and the top 1% of beneficiaries of the policy received more money back than the more than 700,000 Oregonians in the bottom 40% of people eligible for the tax benefit.

In her statement announcing the findings of the audit, Fagan urged legislators to find a "clear purpose" for the policy and to make changes to make sure it's meeting that goal. She disparaged the money wasted on the mortgage interest deduction, and said the state should instead be better funding housing programs to help low-income residents.

"Every dollar spent keeping seniors and working families in their homes or helping renters stay housed has been scrutinized and debated by lawmakers. Meanwhile billions of dollars just walk out the backdoor with no questions asked," Fagan said in a written statement.

Affordable housing advocates have called for an end to the policy for several years, saying it largely helps only the

wealthiest homeowners that qualify, and provides no benefits for middle-class or low-income taxpayers.

A bill that proposed to modify the mortgage interest deduction policy failed in the 2021 legislative session. House Bill 2578 called for an end to the rule that allows homeowners to make deductions based on the mortgage from a second or vacation home, thereby benefitting from two tax breaks. The bill also proposed lowering the limit to mortgage debt of \$250,000 or less.

Supporters, including the Oregon Association of Realtors, have billed the policy as one that benefits and rewards homeowners. Doing away with it, they said, would be unfair to homeowners when owning a home is already difficult and less affordable than in the past.

The audit notes that there have been several bills proposed in the past five years to modify the tax policy, but none have become law.

National Parks boss visits home state, discusses tribal co-management of lands

Sams says Native co-management can help restore public lands

By APRIL EHRLICH
Oregon Public Broadcasting

BEND — This week was National Park Service Director Chuck Sams' first trip back home to the Pacific Northwest since he was sworn in as the first Native American to lead the public lands agency.

Sams' weeklong tour included a visit to Bend, where he attended the annual Governor's Conference on Tourism, then weaved through Crater Lake, where he met with park leaders. His trip wrapped up Thursday, March 17, with a tour of the Fort Vancouver National Historic Site in Washington state. The former military base and fur-trading site is undergoing a \$15 million renovation funded by the Great American Outdoors Act of 2020.

Since his swearing in, Sams has advocated for tribal co-management of federal lands. During his tour, he noted that the Fort Vancouver park works closely with local tribes, making it one of many examples in the Pacific Northwest where state and federal agencies successfully collaborate with sovereign nations.

"We have a really great opportunity to bring in traditional ecological knowledge, set up cooperative agreements and even do some co-management, especially on the flora and fauna," Sams said.

Sams is Cayuse and



April Ehrlich/Oregon Public Broadcasting

National Parks Service Director Chuck Sams speaks at the Fort Vancouver Historic Site on Thursday, March 17, 2022. This was Sams' first trip back home to the Pacific Northwest since he was sworn in as the first Native American to lead the public lands agency.

Walla Walla. He's enrolled with the Confederated Tribes of the Umatilla Indian Reservation in Northeast Oregon, where he grew up. He has a long history of civic leadership in state and tribal government. Sams recently served as Gov. Kate Brown's appointee to the Pacific Northwest Power and Conservation Council, and was previously the executive director for the Umatilla tribe.

Sams said Native co-management is fundamental to restoring lands to their healthier, pre-co-

lonial conditions, because tribes have a deep understanding of native plants and animal species.

"It's a symbiotic relationship, and I think it's

important that we figure out how we co-manage those together to ensure those species not just survive, but they actually thrive on the landscape," Sams said.

Sams testified last week in support of Native co-management at a House Natural Resources Committee hearing. He cited four parks that are currently co-managed by tribal governments — Canyon de Chelly National Monument, Glacier Bay National Park, Grand Portage National Monument and Big Cypress National Preserve.

Some policymakers at the hearing said they were worried that tribal co-management would interfere with domestic oil production. Sams said that shouldn't be a concern.

"We don't deal with a lot of oil and gas leasing, and that's not within the

realm of the National Park Service," Sams told OPB. "I understood their concerns that they're bringing forward, but it's not necessarily a co-management issue as it relates to what we do with parks and people."

The rehabilitation work at Fort Vancouver is one of about 120 national parks projects that received Outdoors Act funding last year. The project will rehabilitate the fort's 33,000 square-

foot double-infantry barracks, which were constructed in 1907.

Park staff said construction will focus on making the building more accessible and energy efficient, while preserving many of its historic features, like its covered porches and pressed-tin ceilings. Some maintenance costs will be leveraged by leasing rooms as office space. Construction is slated to end next spring.

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