

Salem Reporter answers your questions about city tax levy and what comes next

[Rachel Alexander](#) May 7, 2025



The audience at the Salem Reporter Town Hall on the Livability Levy held at the Elsinore Theatre on Tuesday, April 15, 2025. (LAURA TESLER/ Special to Salem Reporter)

Salem voters on May 20 will decide if they're willing to raise property taxes to keep parks maintained, library programs running and avoid future cuts to public safety.

The proposal has generated many questions from residents about the city's budget, how the levy would work and why city officials say it's needed.



Salem Reporter compiled these questions from our Town Hall on April 14, reader emails and discussions on social media about the proposal.

Services funded by the levy

What does the levy pay for?

Levy money would keep library, parks maintenance and other community services workers employed and avoid the cuts currently proposed in the 2026 budget. The 37 city employees whose jobs are cut in the 2026 budget would keep their jobs.

If the levy passes, library services would be [restored to 2023 levels](#), meaning 48 hours a week at the main branch and 20 hours a week at the West Salem branch. That would likely mean the library would again open on Sundays and some evenings.

Restoring those hours will mean hiring three new library employees at an annual cost of about \$322,000 per year, which includes salary, benefits and state-mandated retirement contributions of about \$36,000, according to city

spokeswoman Courtney Knox Busch. The city does not plan to hire any other new employees with levy money.

What happens to city services if the levy fails?

The [city's budget proposal](#) currently calls for laying off 37 people, including more than half of the library's current workers, and cutting about a dozen vacant jobs. The city's budget committee or the city council could still modify that budget and choose to spread out cuts differently.

Here's what the proposed cuts would mean for services.

Library: The West Salem branch would close, and the main branch would cut hours in half to 20 per week. Most library programs outside of circulating books and materials would be eliminated, including cultural passes, the library of things, interlibrary loans and hands-on programs. A full list is on [pg. 211 of the city's proposed budget](#).

Parks: City splash pads, bathrooms and irrigation systems would close at neighborhood parks. Parks maintenance would be cut, meaning issues like broken playground equipment would be addressed in priority order and repairs might take longer or not happen. Splash pads would remain on at Riverfront and River Road parks.

Recreation: Summer park and youth sports camps would be eliminated.

Center 50+: Cuts two part-time employees, reducing outreach, programming and volunteer recruitment.

How many people use the services the city is proposing to cut?

Salem's libraries had more than 361,000 visitors in 2024.

Cultural passes, which give people free admission to regional museums and attractions, were checked out 328 times in March.

Storytimes at the library vary in attendance, with programs in English, Spanish, Russian and ASL. On a recent week with six storytimes, Knox Busch said 196 people attended the programs.

Center 50+ serves about 588 people per day. While programs are aimed at seniors, they are open to all in the community.

About 4,800 people participated in city recreation programs last year.

The city does not have a way to track the number of people who use parks.

How the levy works

What oversight is there for levy spending?

Money collected through the levy would go into a separate city account and could only be spent on the services described on the ballot — library operations, parks maintenance, Center 50+ and recreation programming.

A city committee would oversee the levy account and report annually to the city council. The levy account would be audited annually.

Does the city plan to ask voters for more money if this is approved?

City officials said at [Salem Reporter's Town Hall on April 15](#) that the city has no current plans to seek new levies or taxes for other city services like public safety.

Costs for some other city services will increase in 2026, however. City councilors [voted last November](#) to approve a 4.5% increase in utility rates, which will take effect in January 2026. The city's operations fee, a flat monthly fee on water and sewage bills, will also rise 2.5% in January to account for inflation.

Who would pay for the levy?

Property owners, including homeowners and businesses, within the city of Salem limits, unless they are exempt from

property taxes.

Low-income homeowners and seniors must still pay property taxes, though people with disabilities and those over 62 can qualify for a deferral program. Some people, including disabled veterans, active duty servicemembers and surviving spouses of public safety officers killed in the line of duty, can receive a tax exemption. Nonprofit organizations are also eligible for tax exemptions.

[Marion](#) and [Polk](#) county assessor's offices have more information about these programs.

How will the levy affect renters and businesses that rent space?

Renters don't directly pay property taxes, but property owners factor tax increases into their costs when deciding where to set or how much to raise rents. Oregon law [caps rental increases](#) at 10% for 2025, though that cap only applies to housing that's more than 15 years old.

Some businesses, usually retail or industrial operations, pay property taxes on rented space as part of their lease and would be directly impacted.

"Office and multifamily landlords 'pay' the property taxes, but it's a line item expense so rents will go up eventually so as to not diminish the value of the property in the long term.

In short, everyone will pay the freight of this in some form or fashion," said Nick Williams, a senior advisor with SVN and former executive director of the Salem Area Chamber of Commerce.

How will the levy affect the housing market?

Not much, according to Mike Erdmann, CEO of the Home Builders Association of Marion & Polk Counties. His organization has endorsed the levy after opposing the city's payroll tax, a 2023 effort to raise money to close the budget gap.

An average new home in the region is assessed at about \$300,000, he said, and the tax would add about \$25 per month to the owner's tax payment — less than 1% of typical housing costs.

"While any additional expense matters, the far bigger drivers of affordability are land prices, building and development costs and interest rate swings. Those factors move the needle on affordability far more than this levy is likely to, so I don't think it will materially alter the economics of building or buying a new home in Salem," Erdmann said.

City finances and cost-cutting efforts

Why does Salem have a budget deficit?

Salem's budget challenges have [been years in the making](#), and other cities in Oregon are facing similar problems. The city has an expected \$14 million gap between what it collects in taxes and fees and what it expects to spend in the general fund, which pays for most core city services, including police, fire, parks and the library.

The main issue is that city property tax collections [rise about 3 to 5%](#) per year because of caps in state law, while city costs grow faster — especially during periods of high inflation. That's due to a mix of factors, including negotiated wage increases with city employee unions, rising health insurance premiums, [rapidly increasing costs for the state's pension system](#) and rising cost for fuel, materials and other supplies.

Why doesn't the city just spend less?

City officials have [taken some steps to cut costs](#), including freezing hiring on some vacant positions, eliminating an assistant city manager job and curtailing travel and supply spending.

But some rising expenses are outside the city's control. Pension rates, [a major driver of growing city expenses](#), are set by the state. Salem will spend about \$11 million more this year paying those costs for already-retired workers.

An outside committee of business and nonprofit executives reviewed the city's budget early this year. [They concluded](#) the city was already providing services more efficiently than other Oregon cities, and that the issues with the city's budget were largely due to structural issues outside city control.

Erdmann said that review was what led the home builders to endorse the levy.

City officials say more cost-cutting would mean reducing services.

If voters pass this, does it mean no cuts to city services for five years?

No, but it will avoid the deep cuts proposed in the 2026 budget. City costs will continue to grow faster than tax collections, Chief Financial Officer Josh Eggleston said at the Town Hall. He said the levy is a way to buy the city time for a longer-term solution.

What other revenue options, besides raising property taxes, is the city exploring to fund these services?

The city is pursuing [an annual payment](#) from the state to compensate Salem for the amount of state-owned land within its borders. If that effort is successful, it would come in June near the end of the legislative session, and would get

Salem about \$7 million for the next two years. That's too late for the money to factor into the current budget.

Eggleston also said the city is restructuring its fee systems and considering stopping some urban renewal funds. When an urban renewal area is created, it freezes the assessed property values inside its boundaries, limiting the amount of taxes the city, county and other local government entities can collect to support new construction. Closing an urban renewal area would leave more money in the city budget for basic services.

What city tax measures are voters still paying off?

Salem taxpayers are currently paying taxes on four city bonds. Bonds allow cities to borrow money to be repaid through property taxes for capital projects like construction. They cannot be used for general operating expenses like a levy.

The city's current tax measures still being paid off are:

- [Safety and livability bond](#), approved in 2022; paid off in 2052
- Police stations construction bond, approved in 2017; paid off in 2037
- Library seismic retrofit, approved in 2017, paid off in 2031

- [Streets and Bridges bond](#), approved in 2008, paid off in 2026

In total, property owners paid \$1.21 per \$1,000 of assessed property value for these bonds in 2024. That's about \$271 per year for an average Salem home assessed at \$224,000.

How much money does the city of Salem spend on homelessness?

The city has an outreach and livability team, called SOS, that includes police and three park maintenance workers who respond to homeless camping.

One employee in the city manager's office oversees the city's homelessness response in addition to overseeing federal grants, civil rights compliance and several other duties.

Some general operating costs for police, fire and other services are spent responding to homeless camps, but that figure is not tracked. Sheltering, warming centers and other homeless services the city has paid for in the past have either transitioned to state funding or have been cut in this budget proposal.

Are police and fire getting any cuts?

There are no police department or fire department cuts

proposed in the upcoming budget. But without new revenue, city officials say they'll need to make public safety cuts to balance the budget starting in 2026.

What has the city already done?

Six vacant positions are eliminated in the city's current budget proposal and would not be restored even if the levy passes, Knox Busch said. The city has also [cut non-essential overtime](#), eliminated overnight travel for employees and cut supply budgets and new software updates.

See a full timeline of the city's efforts to balance its budget below:

Who is supporting and who is opposing the levy?

Mayor Julie Hoy and all city councilors other than Shane Matthews have endorsed the measure, along with city police, fire and general employee unions. In a voter's pamphlet statement, city public safety unions said preserving the library and parks were important to give youth spaces to go and stay out of trouble.

A number of other nonprofit organizations, neighborhood associations and community groups have also [endorsed the measure](#).

The Salem Area Chamber of Commerce and the Home

Builders Association of Marion + Polk Counties both endorsed it after campaigning against the city's 2023 effort to raise money via a wage tax.

Erdmann, the home builders association CEO, said their board did so after an outside review of the budget.

"We're an organization that generally doesn't look favorably on new taxes, which is why we took time to dig into the city's budget situation," he said in an email. "Without a new, time-limited revenue source, the budget hole would almost certainly force deep cuts to essential services such as police and fire. After weighing the unintended economic harm that degraded core services would create, our Board voted to support the five-year levy while pledging to hold the city accountable for spending every dollar efficiently."

There's no organized levy opposition campaign, and no groups submitted statements in opposition in the voter's guide.

Top donors to the Yes for Salem campaign in favor of the levy are the Salem Public Library Foundation, \$20,000; AFSCME Local 2067 (city employees union), \$15,000; Oregon AFSCME Council 75, \$10,000; Salem Fire Political Action Committee, \$5,000 and David Layton, \$3,000.

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Rachel Alexander is Salem Reporter's managing editor. She joined Salem Reporter when it was founded in 2018 and covers education, economic development and a little bit of everything else. She's been a journalist in Oregon and Washington for a decade and is a past president of Oregon's Society of Professional Journalists chapter. Outside of work, you can often find her gardening or with her nose buried in a book.