HB 4007-1 First-Time Home Buyers Savings Account and Document Recording Fee Increase

Testimony for House Human Services and Housing – Anne Nesse – 2.6.2018

My name is Anne Nesse and I am testifying for Tax Fairness Oregon on HB 4007

To be clear, Tax Fairness Oregon supports the increase in the Document Recording Fee from $20 to $75 for the purposes of transferring added funds to the Housing and Community Services Department accounts for housing-related programs.

However, the First-Time Home Buyers section of this bill has technical problems that must be addressed. The first written error is in Section 3(4) "There is no limitation on the amount of contributions that may be made to or retained in a first-time home buyer savings account". This needs be clarified, as it is in direct conflict with the rest of the bill. It needs to be clarified because the bill also says the account holders do have written restrictions of $50,000 and 10 yrs Section 4(3)(a)and (b).

The definitive correction in the section of the bill called the First-Time Home Buyers savings account is that the savings should be deposited in the State Treasury (as are 529 savings accounts), and not in any "non-supervised" financial institution. We must be able to properly enforce the many tax regulations within this bill. The current bill has citizens savings located in a variety of financial institutions with no accurate way to monitor an individuals deposits and withdrawals, defeating the purpose of this bill. If we are to help first-time homebuyers we must be able to monitor deposits and withdrawals accurately, as well as give citizens the greater earnings available through investment, rather than use of a simple bank account towards their first-time home purchase. This is absolutely basic to make sure the written law fulfills its purpose. Without these changes we will not fulfill the purpose of helping first-time home buyers to save for the down payment on their first home.

Thank you.

We read the bills and follow the money