

HB 3184 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

Action Date: 04/08/19

Action: Without recommendation as to passage, refer to Revenue by prior reference.

Vote: 9-0-0-0

Yeas: 9 - Helt, Keny-Guyer, Meek, Mitchell, Noble, Sanchez, Schouten, Williams, Zika

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 4/8

WHAT THE MEASURE DOES:

Directs the Department of Revenue, in consultation with the Oregon Department of Housing and Community Services to conduct a study of the residential vacancy tax to fund affordable housing. Requires report be provided to the Legislative Assembly by September 15, 2020. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Referred to Committee on Revenue

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

A vacancy rate is a ratio of available units and total units. A piece of real estate can also be considered "vacant" if it is undeveloped. The vacancy rate is one way to measure housing market conditions. Vacancy rates also influence prices. A healthy rental vacancy rate is around 7 to 8 percent, and a good homeowner vacancy rate is around 2 percent. High rates of vacancy have negative impacts on communities. Various cities in the United States and abroad have implemented residential vacancy taxes to encourage individuals to fully utilize their properties during a housing shortage. "Vacancy" and exemptions to vacancy must be defined. According to the U.S. Census Bureau, in 2017, Oregon had a 5.6 percent rental vacancy rate and a 1.1 percent homeowner vacancy rate statewide.