

HB 3032 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

Action Date: 02/07/23

Action: Do pass and be referred to Tax Expenditures by prior reference

Vote: 9-1-0-0

Yeas: 9 - Dexter, Fahey, Gamba, Hartman, Helfrich, Helm, Javadi, Levy E, Wright

Nays: 1 - Cate

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 1/24, 2/7

WHAT THE MEASURE DOES:

Establishes personal income tax subtraction for rent received for a room in taxpayer’s principal residence. Clarifies taxpayer is eligible for the subtraction only if the same individual pays for and occupies a rented room in taxpayer’s principal residence for at least three consecutive calendar months during tax year, and if monthly rent charged does not exceed \$1,000 per rented room. Restricts subtraction to no more than \$12,000 per room rented per tax year. Applies to tax years beginning on or after January 1, 2024 and before January 1, 2030. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Cost of home sharing compared to to new development
- Eligibility of and protections for family members renting a room in home
- Protections for homeowner in instances of violations of home sharing agreement
- Normalizing culture of home sharing
- Potential impact of or limitations of measure in adding needed housing units
- Applicability of landlord-tenant law to home sharing
- Sideboards for homeowners and room renters

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon Residential Landlord and Tenant law does not define home sharing agreements, but includes “roomers” as a person occupying a dwelling unit that does not include bathroom or kitchen facilities, and where one or more of these facilities are used in common by occupants in the structure.

The U.S. Department of Housing and Urban Development considers households as cost-burdened when they spend more than 30 percent of their income on rent, mortgage and other housing needs. According to the Census Bureau’s American Community Survey, renter households in 16 of Oregon’s 36 counties were cost-burdened.

House Bill 3032 establishes a personal income tax subtraction for taxpayers who rent one or more rooms in the taxpayer’s principal residence, provided that the same individual rents a room in the taxpayer’s residence for at least three months, and the monthly rent per room does not exceed \$1,000. The measure restricts the subtraction to no more than \$12,000 per room rented per tax year, and applies to tax years beginning on or after January 1, 2024 and before January 1, 2030.