



SB 67: Reject a second method of compensating landlords

Testimony for Senate Housing and Development Committee – Bennett Minton – 2/20/2023

Chair Jama, members of the committee:

I'm Bennett Minton, on behalf of Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

SB 67 is familiar to the committee. Two years ago the committee passed a similar SB 330 on to Joint Tax Expenditures, where it was given an appropriate burial. This committee should save Joint Tax the energy.

TFO doesn't take positions on spending policies per se, in this case whether to make landlords whole from the COVID recession. For that purpose, as the committee is aware, in 2020 the legislature created an instrument through Housing and Community Services (HB 4401). According to the hearing record today, the legislature expanded relief from 80% of lost rent under the original law to 100%.

If Housing and Community Services has failed in its duty under the law, then the committee should exercise oversight. If landlords were unable to collect payments from the state, then the committee should ensure that the department and the landlords can communicate.

We appreciate what Senator Findley is aiming to do: make landlords whole. And we acknowledge Senator Sollman's concerns: ensuring that landlords document their lost rent, and the compensation received from the state and from federal COVID relief.

But adding a second method of compensation, through the tax code, is a bad idea.

First: Why charge a second agency with establishing a program to do the work of the first? The Department of Revenue would be required to write rules and certify the landlord's eligibility for the tax credit, a bureaucratic impediment to relief.

Second: If landlords haven't been made whole under the first means, giving them a tax credit over several years depending on their tax circumstances doesn't address their cash crunch, to whatever extent it may remain.

Unless the purpose of the proposal is not to make whole Oregon's ma-and-pa landlords, but the hedge funds taking over rental housing across the country. For them, a five-year tax credit is just another line on their balance sheets.

This is an inefficient and inequitable proposal. It should be rejected.

We read the bills and follow the money