



Date: March 27, 2023

To: Chair and Members of Senate Committee on Housing and Development

From: Scott Bruun, OBI

RE: Testimony in opposition to SB 611 / Rental termination penalty

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Chair Jama and Members of the Committee:

My name is Scott Bruun. I am the Director of tax, fiscal and manufacturing policy for Oregon Business & Industry. OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians.

Thank you for the opportunity to testify. Respectfully, OBI opposes SB 611 and the proposed amendments.

**Housing shortages due to public policy**

OBI believes that the supply and demand imbalance caused by our statewide land use policies, as well as growing costs related to other state and local regulatory hurdles including permitting, is the underlying cause of our larger housing problem. In short, we believe that the high costs and systemic shortages of housing in Oregon are directly related to policies this state has chosen to embrace.

**Band aids, but no fixes**

All session, the legislature has sought ways to address this challenge, but so far has only really looked at modest band aids or workarounds rather than systemic reform. For example, new tax credits to incentivize the development of low-income rental housing in one bill recently heard, and unprecedented new executive authorities to zone industrial land in another – have all been done to work around a system that no longer works.

**SB 611 would hurt those it intends to help**

And those that pay the highest price for our broken system are the very people that SB 611 is intended to help. But unfortunately, SB 611 is not a systemic fix, in fact it's not even a band aid. SB 611 would make the larger challenges of housing costs and access worse because it would further disincentivize the development and maintenance of multifamily and rental housing in Oregon.

Owners and developers of multifamily and rental housing are not to blame for Oregon's housing crisis, they did not create scarcity or the land use and regulatory policies that have resulted in that scarcity. In fact, those owners and developers are a critical part of any sustainable solution. Yet SB 611 would require them to bear an ever-higher financial burden.

**Oregon housing investments would diminish**

Mr. Chair, Committee, please make no mistake: SB 611 would make the larger problem of housing availability worse because it would lead to fewer and fewer people willing to pay the costs or take the risk of investing in Oregon housing.

This policy is the exact opposite of what we should be doing to increase supply and lower costs, which is why we strongly encourage you to oppose SB 611.

Thank you.

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