

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
83rd Oregon Legislative Assembly
2025 Regular Session
Legislative Revenue Office

Bill Number:	SB 1095 - A3
Revenue Area:	Local Government Finance
Economist:	Beau Olen
Date:	6/3/2025

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Allows cities and counties to impose a fee on single-family housing, middle housing, and condominiums that are vacant for more than 360 days in a calendar year. Exempts from the fee, newly constructed, converted, or rehabilitated homes, and certain homes that are unoccupied or empty of personal property. Allows cities and counties to adopt additional exemptions from the fee. Requires fee revenue to be used for administration of the vacant home fee program and development of housing affordable to households with income between 80 to 130 percent of area median income. Takes effect on the 91st day after sine die.

Revenue Impact:

The measure has no direct revenue impact on local governments. The fee program is permissive since a city or county must adopt an ordinance to implement the fee program.

Impact Explanation:

The potential amount of fee revenue depends on several factors: (1) which cities and counties adopt, implement, and enforce a fee program, (2) whether those cities and counties exempt any other homes from the fee, (3) respective fee amounts set by cities and counties, (4) the number of vacant homes in those cities and counties, (5) how much the fee for an individual property is compressed by the \$10 limit on property taxes for general government purposes per \$1,000 of real market value, and (6) homeowner behavioral responses. Some homeowners, especially at higher fee amounts, may change behavior to exempt their home from the fee or otherwise avoid exposure to the fee (e.g., limit time away from home, rent the home, or sell the home).

Based on U.S. Census data, there are about 33,000 housing units in Oregon in residential structures which have four units or less (single-family housing, middle housing, and condominiums) and are vacant year-round because they are held off the market for occasional use, storage, or the owner's usual residence is elsewhere. For example, if 10,000 of these units (30 percent of 33,000) pay a \$1,000 vacancy fee per year, statewide fee revenue would be about \$10 million per year.

Creates, Extends, or Expands Tax Expenditure: Yes ☐ No ☒