



Chair Marsh, Vice-Chairs Breese-Iverson and Andersen, and members of the House Committee on Housing and Homelessness,

Thank you for the opportunity to provide testimony in opposition to HB 2967 as written and as amended by the -2 amendments. For background, Oregon REALTORS® is an industry association comprised of roughly 18,000 members who work as real estate brokers, principal real estate brokers, real estate property managers, and affiliated industry professionals.

HB 2967 would eliminate the ability of residential landlords to apply a screening charge to cover the costs of processing a potential tenant's application, increasing the burden of housing providers' operational costs. But the fact of the matter is, one way or another, everything has a cost, and HB 2967 will not change the basic economics of operating a business. The cost recovery mechanism will simply be shifted.

For example, if landlords are prohibited from applying a screening charge to a prospective tenant's application, landlords will likely ask prospective tenants to purchase a screening report on their own. The -2 amendments intend to address this by prohibiting landlords from requiring tenants to purchase a screening report on their own. So, to cover costs, landlords will raise rents on all tenants by a smaller amount.

The point is that HB 2967 will not benefit anyone, because one way or another, costs will be recovered. And if cost recovery was somehow prohibited, landlords will be increasingly less and less willing to provide rental housing.

If the state seeks to reduce tenant costs related to obtaining housing, it could allow tenants to take a tax credit for any screening charges they paid in a tax year or allow tenants to submit to the state for reimbursement of paid screening charges. If the state is unwilling to accept that reduction in revenue, then it should simply allow the market to operate.

Financially straining housing providers will not increase the availability or affordability of rental housing. As such, HB 2967 will hurt both landlords and tenants.

Oregon REALTORS® urges you to vote NO on HB 2967.