



Chair Pham, Vice-Chair Anderson, and members of the Senate Committee on Housing and Development,

Thank you for the opportunity to provide testimony in opposition to SB 1095. 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.

SB 1095 would allow cities and counties to impose a fee on noncommercial residences that are vacant for more than 180 days in a calendar year. When owners of a second property spend time at their second home, they buy goods and services in the area, thus supporting small businesses and stimulating the local economy. And regardless of whether they are actively occupying the property year-round, they are still paying local property taxes.

We are also very concerned about the message that this sends to current and future members of our communities. There are many Oregon residents who spend half the year in Oregon and half the year somewhere like Arizona, where it is unbearable for them to live during the hottest months. There are also many people currently living in Oregon who will purchase a second home in another state and split time once they retire. And there are people living in other states who like to spend part of their year in Oregon. Oregon should be welcoming to these all these individuals. By taxing them more than other residents, even though they are putting *less* of a strain on public services, the message that will be heard, even if it is not the intended message, is “we don’t want you here.”

Additionally, the bill does not establish a mechanism for tracking whether a home is occupied for at least 180 days per year, and without such a mechanism, the program does not appear feasible to implement. The proposed program could not rely on cities and counties to track this information, as local governments are already experiencing budget shortfalls and would not have the resources to hire personnel for this purpose. As written, it seems that the implementation of SB 1095 would rely on a self-attestation by the property owner, which may be unreliable.

Further, SB 1095 does not include any sideboards that would limit the amount of the fee that would be imposed. This could result in widely differing fee amounts depending on which city or county the property exists within, creating a competitive disadvantage for localities with higher fee amounts.

Finally, the bill does not prohibit a city and its respective county from each imposing a vacant home fee ordinance or resolution, nor does it require coordination between cities and counties when ordinances or resolutions are adopted. Even if a city opted to not adopt such a fee to avoid discouraging investment in its jurisdiction, the city may still lose investment if the county adopts a fee that the city does not support. Further, since SB 1095



allows local governments to determine their own exemptions and exclusions to the fee, a county could impose a fee on all vacant noncommercial residences while a city in that county could impose a fee on that excludes, for example, middle housing. In such a situation, a property owner would have to determine if they need to pay one fee, two fees of the same amount, or two fees of different amounts, creating confusion and increasing the risk of inaccurate fee payments.

Oregon REALTORS® urges you to vote NO on SB 1095.

Thank you for your time and consideration of our testimony.