

House Committee on Rules Oregon State Capitol 900 Court St. NE Salem, OR 97301

RE: Opposition to HB 3974

June 2, 2025

Chair Bowman, Vice Chairs Drazan and Pham, and Members of the Committee,

On behalf of Multifamily NW, thank you for the opportunity to comment on HB 3974 and to share our strong opposition to this proposal to cap tenant screening fees at \$20.

Multifamily NW is Oregon's largest association of housing providers, representing nearly 300,000 units across the state. Our members include property managers, rental owners, maintenance professionals, and housing service providers who are on the front lines of addressing Oregon's housing challenges.

Tenant screening is one of the most important tools available to housing providers. It ensures a safe, stable living environment for all residents by helping us assess financial responsibility and rental history. To do this effectively, housing providers use trusted third-party tools – and those tools come at a cost. Our members report the average screening expense is approximately \$50 per application – and housing providers do not profit from them.

That's important to understand: screening fees are not a revenue generator. They're a direct pass-through cost that ensures responsible and consistent screening for everyone.

HB 3974 would impose an arbitrary fee cap well below market cost, forcing housing providers to absorb unreimbursed expenses or cut back on the quality of screening services – neither of which is a good outcome for tenants or providers.

It's also important to recognize that this concept has already been thoroughly debated - and rejected - multiple times by the House Committee on Housing. Despite repeated attempts to advance similar proposals, the committee did not move them forward.

This bill may be well-intentioned, but it would have serious unintended consequences. It increases operational costs for housing providers, undermines effective tenant screening, and ultimately makes it harder to ensure safe, stable rental communities.

Multifamily NW has always been willing to work with legislators on policy solutions that increase housing access and protect tenants. We believe there are better ways to approach this issue – and we're eager to be part of that conversation. But HB 3974, as written, won't accomplish the outcomes we all want to see.

We respectfully urge the Committee to vote no on HB 3974.

Sincerely,

Zach Lindahl **Director of Government Affairs** Multifamily NW

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