

Submitter: Devon Lawson
On Behalf Of:
Committee: House Committee On Revenue
Measure, Appointment or Topic: HB4136
Chair Nathanson, Vice-Chairs Reschke and Walters, and Members of the Committee:

For the record, my name is Devon Lawson. I am testifying today as a concerned resident regarding the economic mechanics of HB 4136.

I am here to urge you to pass Section 1 (ending the deduction) but to strike and replace Section 4 (the spending plan).

Currently, Oregon's tax code actively subsidizes the purchase of vacation homes. This is not a "free market"; it is a state-sponsored distortion. In rural districts, this deduction incentivizes wealthy out-of-district investors to outbid your local constituents for housing stock. Why should the Oregon tax code subsidize a Portland investor buying a second home in Klamath or Umatilla County, driving up prices for the families who actually live and work there? This deduction is a transfer of wealth from rural working families to urban speculators. It must end.

However, Section 4 of this bill takes that captured revenue and pours it into "Down Payment Assistance." While well-intentioned, economic analysis shows this is a subsidy for banks and sellers, not buyers. If you subsidize down payments in a supply-constrained market, you mathematically guarantee inflation. Sellers will simply absorb that subsidy by raising the asking price. We are taking public money and handing it to mortgage lenders as guaranteed debt. This does not decommodify housing; it traps working-class families in inflated mortgages they can barely afford.

I urge you to amend Section 4. Do not use this revenue to subsidize mortgage debt. Instead, direct these funds to preserving existing affordable housing or to emergency rental assistance.

Preservation stops displacement without inflating the market, and rental assistance keeps workers in their homes right now.

Stop subsidizing the second homes of the wealthy. But do not turn around and hand that money to the banks. Fix the tax code, but spend the revenue on real stability, not inflationary debt.

Thank you.