

2019 SUMMARY OF LEGISLATION



HOUSING



HOUSING MEASURES

Building Codes and Zoning	Enacted Not Enacted	SB 534, HB 2423, HB 2997 SB 10
Development and Preservation	Enacted Not Enacted	HB 2001, HB 2002, HB 2003, HB 2306, HB 2336, HB 2993, HB 3116 SB 334, SB 595, SB 943-A, SB 1024, HB 2055, HB 2056, HB 3406
General Housing Policy	Enacted Not Enacted	SB 8, SB 36, SB 484, SB 608, SB 970, HB 2530, HB 2916 HB 2302, 3359
Homeownership	Enacted Not Enacted	HB 2812 SB 820-A
Manufactured Homes	Enacted Not Enacted	SB 586 HB 2664
Taxes, Deductions, & Credits	Enacted Not Enacted	SB 262 HB 2136, HB 2587, HB 2662, HB 2664, HB 2700, HB 2725, HB 3349

Picture: Summerville House, Umatilla County – Gary Halvorson, [Oregon State Archives](https://www.oregonstatearchives.org/)

TASK FORCES AND REPORTING REQUIREMENTS

The following bills created task forces and reporting requirements. Additional information is provided in the bill summaries.

Bill Number	Description	Deadline
HB 2001	DCBS must report to the legislature on low rise residential housing by January 1, 2020.	January 1, 2020
HB 2003	Directs Oregon Housing and Community Services Department to report to the legislature on findings of the regional housing needs analysis, housing stock estimates, housing shortage analysis, and estimates of housing needed to accommodate growth.	March 1, 2021
HB 2530	Requires Oregon Department of Veterans' Affairs (ODVA) and Department of Housing and Community Services to submit joint report to relevant legislative committees by December 1st every year, as specified, on housing programs for veterans.	Annually by December 1

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[Senate Bill 8](#)

Effective Date: January 1, 2020

Supporting Development of Publicly Supported Housing

Chief Sponsors: Sens. Courtney, Heard

Committees: Senate Housing, House Human Services and Housing

Background and Current Law: Local jurisdictions in Oregon are required to prepare comprehensive land use plans that are consistent with implementation of a set of statewide planning goals, overseen by the Land Conservation and Development Commission (LCDC). Projects approved at the local level may be appealed to a specialized tribunal called the Land Use Board of Appeals (LUBA). Anyone who appears during proceedings at the local level, when project approval is being sought, may intervene and become a party on appeal, and LUBA may award attorney fees in some circumstances.

Publicly supported housing is defined as the development of five or more units of multi-family rental housing that receives or benefits from specified government assistance, with a number of exceptions for developments receiving local fee waivers or tax abatement; or that are part of a local inclusionary housing program; or that receive certain tenant-based or project-based rent subsidies or assistance.

Bill Summary: Senate Bill 8 requires LUBA to order challengers to pay reasonable attorney fees and expenses to prevailing respondents on appeal who are the applicant or the local government, if the challenge is against a locally approved application to develop publicly supported housing.

Oregon Laws 2019: Chapter 221

[Senate Bill 10](#)

Not Enacted

Encouraging Residential Development along Priority Transportation Routes

Chief Sponsors: Sen. Courtney

Committees: Senate Housing, Senate Rules

Background and Current Law: Local jurisdictions in Oregon are required to prepare comprehensive land use plans that are consistent with implementation of a set of statewide planning goals, overseen by the Land Conservation and Development Commission (LCDC). The goals establish state policies on urban and rural land uses, resource conservation, economic development, affordable housing, urban growth, coastal protection, natural hazards, and citizen involvement. Goal 12 concerns the provision of a safe, convenient transportation system, and during the 2017 regular legislative session, the legislature enacted a transportation funding bill to invest in improving statewide transit service. Such infrastructure investments stimulate corresponding development efforts along transportation routes.

Bill Summary: Senate Bill 10 would have defined “priority transportation corridors” for purposes of municipal limits on the density of residential development and prohibited the imposition of lower densities than stated in the measure, within urban growth boundaries, near such transportation.

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[Senate Bill 36](#)

Effective Date: January 1, 2020

Updating Provisions of Veteran Home Loan Program

At the request of: Governor Kate Brown for Department of Veterans' Affairs

Committees: Senate Veterans and Emergency Preparedness, House Veterans and Emergency Preparedness

Background and Current Law: Oregon is one of only five states that offers a veteran home loan program, separate from the federal Veterans Administration Home Loan Guaranty. Administered through the Oregon Department of Veterans' Affairs (ODVA), approximately \$8 billion in low-interest home loans has been made available to more than 334,000 veteran borrowers since 1945. During 2018, ODVA conducted a comprehensive review of statutes governing home and farm loans to veterans, resulting in Senate Bill 36.

Bill Summary: Senate Bill 36 refines ODVA's authority to administer home loans to veterans to modernize language usage and make provisions consistent with current practice. It modifies the purpose of such loans - to acquire homes and farms - by removing references to "improvements," updates the definition of "home" to include manufactured dwellings and condominiums, removes references to mobile homes and houseboats, and conforms to federal bond and lending requirements.

Oregon Laws 2019: Chapter 223

[Senate Bill 262](#)

Effective Date: September 29, 2019

Extending the Multi-Unit Housing Property Tax Exemption

Chief Sponsors: Sen. Dembrow; Rep. Nosse

Committees: Senate Housing, Senate Finance and Revenue, House Revenue

Background and Current Law: Local jurisdictions are authorized to design programs that attract development of multiple-unit housing by means of property tax exemptions. Programs are required to preserve, construct, add, or convert existing units, at rental or purchase prices that are within reach of a broad range of the general public. The multi-unit housing property tax exemption is utilized by many communities and considered integral to the development of affordable housing but is scheduled to sunset in 2022.

Bill Summary: Senate Bill 262 maintains the property tax exemption used to encourage development of multi-unit housing by extending the sunset to 2032.

Oregon Laws 2019: Chapter 322

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[Senate Bill 334](#)

Not Enacted

Supporting Development of Workforce Housing

Chief Sponsors: Sen. Baertschiger, Jr.

Committees: Senate Housing, Senate Rules

Background and Current Law: Urban growth boundaries (UGBs) are set based upon where and how a city is projected to grow residentially, industrially, and commercially over a 20-year period. Cities develop according to their UGB. Often UGBs include farm, forest, and low-density residential development in unincorporated areas outside city limits, but unlike farm and forestland outside a UGB, areas within a UGB are intended for urban development. UGBs are set through a complicated, coordinated effort involving the concerned city, adjoining counties, and special districts, and the participation of citizens and other interested parties in conformity with statewide land use planning goals.

Bill Summary: Senate Bill 334 would have provided a targeted deviation from the existing process of setting a UGB. Excluding high-value farmland and land designated for protection in an acknowledged comprehensive plan, Senate Bill 334 would have required local governments, upon petition by a landowner, to include land designated as urban reserves within its UGB if the provision of urban services was committed within two years; if the land was subject to covenants for a minimum of 60 years that allowed only workforce housing and commercial use as defined by the measure; and if the land was capable of being rezoned for such use consistent with land use planning goals concerning transportation.

[Senate Bill 484](#)

Effective Date: January 1, 2020

Prohibiting Multiple Rental Application Fees

Chief Sponsors: Sen. Gelser

Committees: Senate Housing, House Human Services and Housing

Background and Current Law: It is common practice for landlords to ask potential renters to pay the cost of processing and screening their applications. For those who complete multiple applications, these fees add up quickly.

Bill Summary: Senate Bill 484 requires one fee per applicant, when applications are made to rent one of multiple units owned or managed by the same landlord, within a 60-day period.

Oregon Laws 2019: Chapter 251

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[Senate Bill 534](#)

Effective Date: January 1, 2020

Allowing Housing Development on Narrow Lots

Chief Sponsors: Sens. Baertschiger, Jr., Fagan, Heard

Committees: Senate Housing, House Human Services and Housing, House Rules

Background and Current Law: "Skinny lots" were first platted in the Portland area more than a century ago and average about 25-by-100 feet. Narrow houses designed for such lots are typically multi-storied, and range in size from 900 to about 1,500 square feet. Infill development on these narrow lots, within existing neighborhoods where infrastructure already exists, can result in homes with lower market values than larger single-story homes on 5,000 square foot or larger home sites, but comparable or higher in market value than alternatives like condominiums. Such homes may provide additional home ownership opportunities for buyers.

Bill Summary: As long as specified conditions are met concerning infrastructure, potential hazards, and certain statewide land use planning goals, Senate Bill 534 requires local governments to allow the development of at least one unit on each platted lot zoned for a single-family dwelling within the urban growth boundary of cities with populations greater than 25,000 beginning March 1, 2020.

Oregon Laws 2019: Chapter 623

[Senate Bill 586](#)

Effective Date: January 1, 2020

Omnibus Bill for Manufactured Housing Landlord/Tenant Coalition – Incorporating Marinas

Chief Sponsors: Sen. Prozanski

At the request of: John VanLandringham

Committees: Senate Housing, House Human Services and Housing, Joint Ways and Means

Background and Current Law: The Manufactured Housing Landlord/Tenant Coalition has existed since 1997. It meets almost monthly to discuss landlord/tenant concerns proactively, and it has produced negotiated legislation every long session since its inception, each addressing a variety of issues. Senate Bill 586 is the negotiated bill for 2019, and for the first time, incorporates floating home tenancies in marinas. Manufactured dwelling parks and marinas are defined and referred to as facilities.

Bill Summary: Senate Bill 586 regulates marinas like manufactured dwelling parks, establishes a mediation pilot program to assist low-income tenants in disputes with landlords, and establishes specific regulations for marinas.

Oregon Laws 2019: Chapter 625

[Senate Bill 595](#)

Not Enacted

Supporting Workforce Housing Development

Chief Sponsors: Sen. Johnson

At the request of: Bill Baertlein, Tillamook County Commissioner

Committees: Senate Housing, Senate Finance and Revenue

Background and Current Law: The transient lodging tax is imposed on hotels and motels, spaces for recreational vehicles and tents, and other dwelling units that are occupied overnight or on a temporary basis. It is primarily used to promote tourism and may also be used to fund local services. Currently, at least 70 percent of the net revenue from new or increased transient lodging taxes must be used to support tourism and up to 30 percent may be used for local services.

Bill Summary: Senate Bill 595 would have shifted a percentage of net revenue from the transient lodging tax away from tourism to allow up to 30 percent to be put toward workforce housing for individuals with annual incomes at or below 125 percent of the local median income.

Rent Control and Prohibiting No-Cause Evictions after One Year of Occupancy

Chief Sponsors: Sens. Burdick, Monnes Anderson, Courtney, Fagan; Rep. Kotek

Committees: Senate Housing, House Human Services and Housing

Background and Current Law: Landlords may evict tenants for a variety of reasons, including for nonpayment of rent and other violations of rental agreements. Both landlords and tenants are generally allowed to terminate month-to-month tenancies without cause, with 30 days' notice (although some localities, like Portland, have different notice requirements). Fixed-term tenancies can also be terminated without cause by either landlords or tenants at any time during the tenancy with 30 days' notice prior to the end of the term, or with 60 days' notice after the end of the term. Rent increases are prohibited in the first year of a month-to-month tenancy and 90 days' notice of same is required. There are currently no other restrictions on the number or amount of rent increases that may be imposed on a month-to-month tenancy.

Bill Summary: Senate Bill 608 prohibits evictions without cause after the first year of occupancy and adds the following circumstances to the existing list of reasons that a landlord may evict a tenant for-cause: when the premises are sold to a buyer as a primary residence; when the premises will be occupied by the landlord or an immediate family member; or when the premises are being renovated, or demolished, or removed from residential use. If a landlord uses one of the new reasons to evict, they must provide 90 days' notice and one month's rent to assist the tenant with relocation (except two-unit or less, owner-occupied properties, and landlords with four or fewer dwelling units). Senate Bill 608 also provides for fixed-term tenancies to convert to month-to-month unless the parties agree to a new term or a tenant has received at least three written, contemporaneous warnings about violations in the preceding 12 months. Finally, Senate Bill 608 limits rent increases to no more than seven percent plus the average change in the consumer price index, no more than once in any 12-month period, unless: the premises are considered new construction, or the landlord is resetting rent for a new tenant after a compliant tenant vacated voluntarily, or the rent is subsidized.

Oregon Laws 2019: Chapter 1

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[Senate Bill 820-A](#)

Not Enacted

Funding Foreclosure Counseling for At-Risk Homeowners

At the request of: Senate Committee on Housing

Committees: Senate Housing, Joint Ways and Means

Background and Current Law: The Oregon Foreclosure Avoidance Program was originally created by Senate Bill 628 in 2009 and has been modified over time. The program entitles most homeowners/borrowers, at risk of foreclosure, to meet and negotiate directly with their lender to attempt to reach an agreement that would avoid foreclosure. The program has been funded through fees paid by both lenders and homeowners. The counseling portion of the program has been funded through General Fund appropriations and administered by Oregon Housing and Community Services (OHCS) through its network of counselors. Over 70 percent of homeowners who access counseling in advance of mediation, succeed in negotiating an agreement with their lender to stay in their home.

Bill Summary: Senate Bill 820-A would have appropriated \$1,240,000 General Fund dollars to OHCS to maintain administration of the Foreclosure Avoidance Program during the 2019-2021 biennium.

[Senate Bill 943-A](#)

Not Enacted

Parsonages

Chief Sponsors: Sen. Heard; Rep. Leif

Committees: Senate Housing, House Agriculture and Land Use

Background and Current Law: A parsonage is typically a dwelling that is provided by a religious institution for its officiant to live in. In Oregon, wherever a nonresidential place of worship is allowed on real property, cities and counties must allow reasonable uses of the property for activities associated with the particular religious practice, such as weddings, worship, and instruction, and including residential housing. Such residential housing is allowed so long as: at least half of what is available is affordable to households with incomes up to 60 percent of the median family income in the area; the property is within the urban growth boundary; and the property is zoned for such use and otherwise compliant with land use regulations and other development criteria.

Bill Summary: Senate Bill 943-A would have added the development of a parsonage to the list of reasonable uses that cities and counties must allow where nonresidential places of worship are authorized and would have required the parsonage to be 2,500 square feet or less, within 300 feet of the place of worship if detached, and not on high-value farmland if it could be avoided.

[Senate Bill 970](#)

Effective Date: January 1, 2020

Excluding Marijuana Offenses from Rental Applications and Regulating *Facility* Transactions

At the request of: Senate Committee on Judiciary

Committees: Senate Housing, House Human Services and Housing

Background, Current Law and Bill Summary: Senate Bill 970 touches on a number of landlord/tenant issues, all but one of which concern transactions to buy and sell manufactured and floating homes situated on a rented space or in a slip, in a manufactured home park or marina (defined and referred to as *facilities*).

All residential landlords are currently allowed to consider whether a potential renter has committed certain crimes when evaluating their application. Senate Bill 970 excludes prior convictions solely for minor recreational use or possession of marijuana and also prohibits landlords from considering an applicant's status as a medical marijuana patient.

Facility landlords are currently prohibited from requiring prospective tenants to purchase their home from a particular dealer, and likewise, dealers cannot require purchasers to rent space from a particular facility. Senate Bill 970 creates an exception to allow a manufactured dwelling or floating home dealer, who is also a facility landlord, to require prospective purchasers to rent space in the landlord's facility as a condition of sale. Senate Bill 970 also: prohibits facility landlords from interfering with a tenant's choice of real estate agent or licensed dealer to facilitate the sale or lawful sublease of the tenant's home; requires that tenants be allowed to sublet their home while it is being marketed for sale if the facility landlord does the same; and requires facility landlords to provide applicants, tenants, and prospective buyers with information regarding the rights and duties of landlords and tenants when a manufactured or floating home is being sold. Finally, current law provides for: recovery of damages or a civil penalty, whichever is greater, in the following amounts for the following violations: \$200 for violations of statutes governing unreasonable rental conditions, nonpayment of facility space rent, the sale of a manufactured or floating home, and retaliatory conduct by a facility landlord; and \$500 for the third and any subsequent violations in a two-year period, of statutes governing the sale of a manufactured or floating home. Senate Bill 970 increases penalty amounts to \$500 and \$1,000, respectively.

Oregon Laws 2019: Chapter 268

[Senate Bill 1024](#)

Not Enacted

Preserving and Maintaining Existing Affordable Housing Supply

Chief Sponsors: Sen. Beyer

Committees: Senate Housing, Joint Ways and Means

Background and Current Law: Manufactured housing is considered a critical part of the supply of affordable housing. Homeowners who live in parks are unique, in that they are also renters. Residents are also, largely, elderly, fixed-income and low-income households. This makes them particularly vulnerable to the threat of instability and homelessness when parks close. During 2018, a group of interested public and private stakeholders in Springfield and Eugene convened an informal work group to address the unique challenges of preserving manufactured home parks and home replacements, culminating in a manufactured housing conference in Ashland in the fall of that year. Senate Bill 1024 was inspired by those efforts.

Bill Summary: Senate Bill 1024 would have appropriated \$3,000,000 to Oregon Housing and Community Services (OHCS) for grants to an eligible nonprofit to pilot the development or improvement of infrastructure for a manufactured dwelling park in Springfield, Oregon, for three years, for potential application to other communities. Receipt of grant funds would have been conditioned on contracting requirements to maintain access for low-income and displaced residents.

Requiring Higher Density Residential Development

Chief Sponsors: Rep. Kotek

Committees: House Human Services and Housing, Joint Ways and Means

Background and Current Law: Local jurisdictions in Oregon are required to prepare comprehensive land use plans that are consistent with implementation of a set of statewide planning goals, overseen by the Land Conservation and Development Commission (LCDC) which governs the Department of Land Conservation Development (DLCD). The goals establish state policies on urban and rural land uses, resource conservation, economic development, affordable housing, urban growth, coastal protection, natural hazards, and citizen involvement. Zoning and regulation at the local level must be consistent with the relevant comprehensive plan, and is used to encourage and discourage types of development. Typical local zoning can create discrete industrial, business, and residential areas, and exclusive residential zones that allow only detached, single-family homes are common.

The current lack of available, affordable housing inspired a number of approaches to increase the supply of housing of all kinds, particularly for households of modest means, including “middle housing.” Middle housing refers to housing that can accommodate more occupants than a single-family home, but less than a large multifamily complex, such as duplexes, row houses, cottage clusters, stacked flats, and accessory dwelling units.

Bill Summary: House Bill 2001 requires certain local jurisdictions to allow the development of middle housing, as defined by the measure, in areas currently zoned for single-family dwellings within their urban growth boundaries. The measure also addresses the conversion of existing single-family dwellings into middle housing.

Cities with populations of 10,000 or more are required to allow duplexes on lots or parcels zoned for single-family homes. Cities and counties within a metropolitan service district and cities with populations of 25,000 or more, must allow middle housing in areas zoned for single-family dwellings, and must allow duplexes on individual lots or parcels zoned for single-family homes. Cities within a metropolitan service district that have populations less than 1,000 are excluded, as are unincorporated lands and lands that lack sufficient access to urban services. Local jurisdictions are required to conform their comprehensive plans and land use regulations within a certain timeframe or adopt model ordinances prepared by DLCD in consultation with the Department of Consumer and Business Services (DCBS). The measure also makes a number of adjustments related to how local jurisdictions currently calculate and report on housing development and future housing needs. DLCD is required to provide technical assistance and is appropriated \$3,500,000.

To address the division of existing single-family homes, the measure requires DCBS to establish uniform standards for cities that provide for such division, into no more than four dwelling units each. Cities are required to approve or deny applications for such conversions within 15 business days and must provide an administrative process for applicants to appeal denials within 30 days.

Finally, the measure voids provisions in any recorded instruments affecting real property that are executed after its effective date, that allow the development of a single-family dwelling while prohibiting middle housing or an accessory dwelling unit.

Oregon Laws 2019: Chapter 639

[House Bill 2002](#)

Effective Date: January 1, 2020

Withdrawal Notice for Publicly Supported Housing

Chief Sponsors: Rep. Kotek

Committees: House Human Services and Housing, Joint Ways and Means

Background and Current Law: In Oregon, property owners who participate in federal housing programs designed to keep rents affordable for tenants are required to provide notice to each local government that has requested it, each affected tenant, and the Oregon Housing and Community Services Department (OHCS) when their contracts with the U.S. Department of Housing and Urban Development are going to expire. In 2017, the Legislative Assembly passed House Bill 2002 requiring such notice to be provided two years before contract expiration or any other event causing the property to be withdrawn from the pool of publicly supported housing and allowing local governments to impose penalties for failure to provide such notice.

Bill Summary: Requires the owner of participating properties to provide notice to the Oregon Housing and Community Services Department (OHCS) and each local government that is entitled to such as a qualifying potential purchaser in a manner prescribed by OHCS, between 30 and 36 months prior to the date the contract term will expire, permitting an owner to withdraw the property from publicly supported housing or to limit affordability restrictions. Provides for penalties for failure to comply. Allows property owners to withdraw from publicly supported housing requirements or terminate affordability restrictions under certain circumstances. Requires a property owner, when the purchased property is being withdrawn from publicly supported housing, to give notice to OHCS. Specifies that local governments and OHCS are not required to purchase or condemn any property or to maintain affordability restrictions. Prohibits property owners from acting during contract term that would materially interfere with qualified purchaser's ability to maintain participating property as publicly supported housing.

Oregon Laws 2019: Chapter 571

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[House Bill 2003](#)

Effective Date: August 8, 2019

Housing Needs Analyses and Production Strategies

Chief Sponsors: Rep. Kotek

Committees: House Agriculture and Land Use, Joint Ways and Means

Background and Current Law: Oregon's comprehensive land use planning system is based on a set of 19 Statewide Land Use Goals that express the state's land use policies. Goal 10, "Housing," specifies that each city must plan for and accommodate needed housing types, such as multifamily and manufactured housing. It requires each city to inventory its buildable residential lands, project future needs for such lands, and plan and zone enough buildable land to meet those needs. Goal 10 also prohibits local plans from discriminating against needed housing types.

Bill Summary: House Bill 2003 directs the Oregon Housing and Community Services Department (OHCS), the Department of Land Conservation and Development (DLCD), and the Oregon Department of Administrative Services, by September 1, 2020, to establish methodologies for calculating, and to conduct, regional housing needs analysis, and for each city and Metro, existing housing stock estimates, a housing shortage analysis, and an estimate of the number of housing units needed to accommodate anticipated population growth over the next 20 years. The measure directs the three agencies to submit two reports to the legislature by March 1, 2021: (1) a summary of the findings of the regional housing needs analysis, housing stock estimate, housing shortage analysis, and estimate of housing needed to accommodate growth; and (2) an evaluation of the regional housing needs analysis and housing shortage analysis as planning tools.

Cities with populations of 10,000 or more are required to develop and adopt a housing production strategy no later than one year after the city's deadline for completing a housing capacity analysis or no later than one year after the date scheduled by the Land Conservation and Development Commission (LCDC) following a housing capacity allocation to a city by a metropolitan service district. The measure specifies required contents and considerations for housing production strategies. Cities are required to submit adopted or amended housing production strategies to DLCD within 20 days, and House Bill 2003 authorizes DLCD to approve, conditionally approve, or remand the strategy within 120 days. The measure also directs LCDC to adopt criteria for reviewing and identifying cities with populations of 10,000 or more that have not sufficiently achieved needed housing production within their jurisdiction or implemented a housing production strategy, and allows DLCD to use those reviews to prioritize certain department actions to incentivize or ensure compliance. The measure requires DLCD adopt a schedule by which certain cities and metropolitan service districts must demonstrate sufficient buildable lands.

House Bill 2003 appropriates \$1 million to DLCD to provide technical assistance to local governments for implementation, and \$655,274 to OHCS for research, administration, and reporting.

Oregon Laws 2019: Chapter 640

HOUSING

[House Bill 2006](#)

Effective Date: August 8, 2019

Access to Housing and Tenant Legal Services

Chief Sponsors: Rep. Kotek

Committees: House Rules, Joint Ways and Means

Background and Current Law: The 2018 Oregon Alliance to End Violence Against Women statewide survey identified housing stability as the greatest issue facing survivors of domestic violence in both rural and urban communities across the state. According to a study undertaken by the Oregon Law Foundation, housing continues to rank among the top legal problems experienced by Oregon's population. Over half of Oregon renters pay more than a third of their income for housing, and many pay more than 50 percent.

Bill Summary: House Bill 2006 establishes grants to support programs related to tenant and landlord education services, fair housing training, and assistance for low-income Oregonians and survivors of domestic violence or sexual assault to find and access rental housing, and tenant legal services.

Oregon Laws 2019: Chapter 641

[House Bill 2055-A](#)

Not Enacted

Greater Oregon Housing Accelerator Program

At the request of: Governor Kate Brown for Housing and Community Services Department

Committees: House Human Services and Housing, Joint Ways and Means

Background and Current Law: Workforce housing is a subset of affordable housing; affordable to workers and close to their jobs. House Bill 2055-A originates from the Workforce Housing Initiative being implemented by Oregon Housing and Community Services (OHCS). HB 2055-A establishes the Greater Oregon Housing Accelerator Program within OHCS to support workforce housing development in targeted areas.

Bill Summary: HB 2055-A would have established the Greater Oregon Housing Accelerator Program within OHCS to support workforce housing development in targeted areas and would have allowed OHCS to provide grants or loans to support workforce housing in development-constrained areas.

HOUSING

[House Bill 2056](#)

Effective Date: January 1, 2020

The Housing Development Grant Program

At the request of: Governor Kate Brown for Housing and Community Services Department

Committees: House Human Services and Housing, Joint Ways and Means

Background and Current Law: Loan guarantee programs administered by Oregon Housing and Community Services (OHCS) currently provide guarantees to lenders of up to 25 percent of the original principal to help finance housing for lower-income households. To participate, the lender applies for the loan guarantee for the project that requires the credit enhancement necessary to obtain the loan. The purpose of the Affordable Housing Land Acquisition Revolving Loan Program is to provide financial assistance to eligible organizations to purchase land for affordable housing development.

Bill Summary: House Bill 2056 establishes the Housing Development Grant Program within Oregon Housing and Community Services (OHCS) to support expanding the supply of affordable rental housing. It excludes the use of grants for general operations of an organization, allows grant recipients more discretion in tailoring services to the needs of tenants, and directs OHCS to establish a separate Guarantee Fund. The measure allows OHCS to guarantee loans made to persons with moderate incomes, defines moderate income, removes requirement that the Oregon Housing Stability Council (Council) review loans and requires the Council to review and approve underwriting policies. It also allows OHCS to transfer surplus moneys from the Guarantee Account to the Affordable Housing Land Acquisition Revolving Loan Program.

Oregon Laws 2019: Chapter 576

[House Bill 2136](#)

Not Enacted

[\(see House Bill 2164-A\)](#)

Manufactured Dwelling Parks Closure Tax Credit

At the request of: House Interim Committee on Revenue

Committees: House Human Services and Housing, House Revenue

Background and Current Law: Owners of a manufactured dwelling are eligible for a \$5,000 refundable tax credit when the dwelling park is closed and the rental agreement is terminated due to an exercise of eminent domain. The tax credit was established in 2007 (House Bill 2735) and is set to expire January 1, 2020.

Bill Summary: House Bill 2136 would have extended the sunset, from January 1, 2020, to January 1, 2026, for a refundable \$5,000 personal income tax credit available to owners of a manufactured dwelling where the manufactured dwelling park was being closed and the rental agreement was to be terminated.

House Bill 2164-A was enacted and extends the manufactured dwelling park closure tax credit for six years.

HOUSING

[House Bill 2302](#)

Not Enacted

General Assistance Project Appropriation

Chief Sponsors: Reps. Post, Noble, Stark

Committees: House Human Services and Housing, Joint Ways and Means

Background and Current Law: The general assistance project is designed to help individuals with severe disabilities who are experiencing homelessness or are at risk of homelessness. It is administered by the Collaborative Disability Determination Unit (CDDU) within the Department of Human Services (DHS). Benefits include housing, utility, and cash assistance, as well as assistance with the Social Security applications and appeals processes, including legal assistance.

Bill Summary: House Bill 2302 would have appropriated \$2 million from the General Fund to the Department of Human Services to administer the general assistance project.

[House Bill 2306](#)

Effective Date: January 1, 2020

Issuance of Residential Building Permits

Chief Sponsors: Reps. Marsh, Stark, DB Smith

Committees: House Human Services and Housing, Senate Housing

Background and Current Law: Land use planning in Oregon involves broad public participation and local control. Local jurisdictions are required to prepare comprehensive land use plans that are consistent with a set of statewide planning goals, overseen by the Land Conservation and Development Commission (LCDC). Comprehensive plans are acknowledged by LCDC and implemented through local land use regulations that include zoning, regulation of subdivisions, and any other ordinances the local government deems necessary to give effect to its comprehensive plan, such as for noise, signage, or tree removal. Developers must apply for local approval of projects. Every application must have at least one public hearing to receive public input, and local governments may approve or reject the application. Projects may then be appealed to the Land Use Board of Appeals (LUBA).

Bill Summary: House Bill 2306 prohibits any local government from denying a building permit for a residential dwelling in a residential subdivision for failing to satisfy conditions of a development if an acceptable financial guarantee has been secured and the following systems meet applicable standards, unless agreed otherwise: water, fire hydrants, sewage, storm drainage, curbs, and streets and street-signs for emergency response purposes. The measure maintains local authority to deny occupancy permits.

Oregon Laws 2019: Chapter 397

[House Bill 2336](#)

Effective Date: January 1, 2020

Affordable Housing Pilot Program

Chief Sponsors: Reps. Stark, Zika, Helm, Helt; Sens. Knopp, Dembrow

Committees: House Human Services and Housing, Senate Housing

Background and Current Law: In 2016, the Legislative Assembly enacted House Bill 4079 to create an affordable housing pilot program implemented by the Land Conservation and Development Commission (LCDC). The measure specified that two projects would be selected from sites nominated by local governments: a city with a population less than 25,000 and a city with a population more than 25,000. The measure targeted several counties; imposed certain planning requirements on nominating local governments; and set forth criteria for LCDC to apply when making selections. Bend and Redmond were the only two applicants and both have populations over 25,000, so they were in competition with one another with Bend ultimately selected. Bend's population exceeds 90,000 and Redmond is just under 30,000.

Bill Summary: House Bill 2336 removes the requirement for a city to have population under 25,000 to participate in the affordable housing pilot program administered by the Land Conservation and Development Commission (LCDC) if no qualifying nomination is received for a city of that size. The bill specifies August 17, 2018 as the cut-off date for eligibility. House Bill 2336 allows Redmond to participate in the pilot program since no cities with populations less than 25,000 were nominated, before August 17, 2018.

Oregon Laws 2019: Chapter 32

HOUSING

[House Bill 2360-A](#)

Not Enacted

Task Force on Use of Surplus Public Lands for Housing

Chief Sponsors: Reps. DB Smith, Helt

Committees: House Human Services and Housing, Joint Ways and Means

Background and Current Law: The Oregon Department of State Lands (DSL) is the administrative arm of the State Land Board, Oregon's longest-serving board. Established by the Oregon Constitution in 1859, the Land Board has been composed of the Governor (chair), Secretary of State, and State Treasurer throughout its history. DSL manages approximately 780,000 acres of land, primarily in southeastern Oregon. Isolated parcels are located in most counties throughout the state. These lands are managed for the people of the state to generate money for K-12 schools. All funds generated for uses of these properties are deposited into the Common School Fund.

Bill Summary: House Bill 2360-A would have created the Task Force on Use of Surplus Public Lands for Housing staffed by the Department of State Lands and specified its composition and duties.

[House Bill 2423](#)

Effective Date: October 1, 2019

Small Home Specialty Code

At the request of: House Interim Committee on Business and Labor

Committees: House Business and Labor, Senate Business and General Government

Background and Current Law: Appendix Q of the 2018 International Residential Code (IRC) allows permanently sited homes up to 400 square feet to contain sleeping lofts accessed by ladders. The current Oregon Residential Specialty Code allows any home to contain a sleeping loft accessed by a ladder or alternating tread device as long as the structure includes certain fire and life safety provisions including residential fire sprinklers.

Bill Summary: House Bill 2423 adopts Appendix Q of the 2018 IRC as the Small Home Specialty Code applicable to construction of homes no more than 400 square feet in size and clarifies the calculation of fire sprinkler systems to avoid triggering a larger water line, which could incur additional system development charges. The measure sunsets the Small Home Specialty Code on January 1, 2026.

Oregon Laws 2019: Chapter 401

HOUSING

[House Bill 2530](#)

Effective Date: January 1, 2020

Tenant Termination Notices for Veterans

Chief Sponsors: Reps. Evans, Wilde

Committees: House Veterans and Emergency Preparedness, Senate Veterans and Emergency Preparedness

Background and Current Law: According to data presented by the U.S. Department of Housing and Urban Development (HUD), the State of Oregon had an estimated 1,251 veterans experiencing homelessness in January 2017. Since that time, homelessness among military veterans has increased by nine percent, to 1,363, according to HUD statistics from November 2018. Whenever tenancies terminate in eviction or foreclosure, certain notice and documents must be provided to renters or homeowners, to inform them about the process, what to do, and any corresponding deadlines.

Bill Summary: House Bill 2530 requires certain notices to renters and homeowners regarding termination of tenancy to include information about assistance that may be available for eligible veterans, as well as contact information for the county veterans' service officer, community action agency, or 2-1-1 referral service.

Oregon Laws 2019: Chapter 405

[House Bill 2587-A](#)

Not Enacted

Homestead Property Tax Deferral Program

Chief Sponsors: Rep. Meek

Committees: House Human Services and Housing, House Revenue, Senate Finance and Revenue

Background and Current Law: In Oregon, the homestead property tax deferral program, administered by the Department of Revenue, allows qualified people with disabilities or senior citizens who own and occupy their principal residence (with some exceptions) to borrow money from the State (at six percent interest) to pay their local property taxes. Repayment of the loan from the State is deferred until the property is sold, or it can be recuperated from the corresponding estate. Currently, reverse mortgages (loans that allow property owners to borrow against the equity in their homes) are prohibited on properties participating in the property tax deferral program.

Bill Summary: House Bill 2587-A would have provided that a homestead pledged as security for a reverse mortgage would not be eligible for property tax deferral. The measure provides exceptions.

HOUSING

[House Bill 2662](#)

Not Enacted

Affordable Housing Tax Credit Program

Chief Sponsors: Rep. Keny-Guyer; Sen. Monnes Anderson

Committees: House Human Services and Housing

Background and Current Law: In 1989, the legislature created the Affordable Housing Tax Credit program. It allows Oregon Housing and Community Services (OHCS) to certify tax credits for certain affordable housing projects. Lending institutions can lower the cost of financing by as much as four percent for eligible housing projects or community rehabilitation programs serving low-income households. The savings generated by the reduced interest rate must be passed directly to tenants in the form of reduced rent.

Bill Summary: House Bill 2662 would have directed OHCS, when certifying Affordable Housing Tax Credits, to prioritize projects that develop affordable housing for vulnerable populations, including sponsoring entities' employees who are direct care workers or human service workers. The credits would have applied to loans made on or after January 1, 2020.

[House Bill 2664-A](#)

Not Enacted

[\(see House Bill 2164-A\)](#)

Manufactured Dwelling Park Taxes Relating to Sale or Closure

Chief Sponsors: Rep. Keny-Guyer

Committees: House Human Services and Housing, House Revenue, Joint Tax Expenditures

Background and Current Law: The Oregon tax subtraction for capital gains from the sale of a manufactured dwelling park to certain entities was created in 2005. The intent of the subtraction is to assist with the preservation of manufactured dwelling park communities. The subtraction provides an incentive to sell manufactured dwelling parks to residents and nonprofit entities that are less likely to close the park. The capital gains tax subtraction sunsets on January 1, 2020. Enacted in 2007, the Manufactured Dwelling Park Closure Credit is a \$5,000 refundable tax credit available to owners of a manufactured dwelling where the manufactured dwelling was the owner's principal residence and the dwelling park is being closed and the rental agreement is being terminated because of the exercise of eminent domain by order of a federal, state or local agency or by the landlord. This tax credit sunsets on January 1, 2020.

Bill Summary: House Bill 2664-A would have extended to January 1, 2026, the sunset of the subtraction from taxable income, the amount of taxable gain of an individual or corporation that sells a manufactured dwelling park to certain entities. The measure would have also extended, to January 1, 2026, the refundable \$5,000 personal income tax credit available to owners of a manufactured dwelling where the manufactured dwelling park is being closed and the rental agreement is being terminated.

House Bill 2164-A was enacted and extends manufactured dwelling park capital gain subtraction for six years.

HOUSING

[House Bill 2700](#)

Not Enacted

Multi-Unit Housing Property Tax Exemption

Chief Sponsors: Reps. Nosse, Noble; Sen. Dembrow

Committees: House Human Services and Housing, House Revenue

Background and Current Law: Local jurisdictions in Oregon are authorized to offer property tax exemption programs to attract development of multiple-unit housing. Programs are required to preserve, construct, add, or convert existing units at rental or purchase prices that are within reach of a broad range of the general public. The multi-unit housing property tax exemption is considered integral to the development of affordable housing in many communities.

Bill Summary: House Bill 2700 would have extended the property tax exemption for multi-unit housing from 2022 to 2032.

[House Bill 2725](#)

Not Enacted

Vertical Housing Development Zone Programs

Chief Sponsors: Rep. Evans

Committees: House Human Services and Housing

Background and Current Law: In 2017, the Legislative Assembly shifted administration of Vertical Housing Development Zone Programs (VHDZ) to the local level to increase flexibility and shorten approval times. Previously the program was administered by Oregon Housing and Community Services (OHCS). VHDZ encourages the building of mixed-use commercial and residential developments in areas designated by communities through a partial property tax exemption. The exemption depends on the number of residential floors on a project with a maximum property tax exemption of 80 percent over 10 years. An additional property tax exemption on the land may be given if at least some of the residential housing is for low-income persons (80 percent of area median income or below).

Bill Summary: House Bill 2725 would have required a city or county to approve all proposed vertical housing development projects that met statutory requirements and additional criteria adopted by the city or county. The measure would have allowed judicial review of project certifications and denials. It would have also required the city or county to send a copy of the certifications to the county assessor within 30 days of certification.

[House Bill 2802-A](#)

Not Enacted

Grant Program to Assist Low-income Families with Unsafe Housing Conditions

Chief Sponsors: Rep. Marsh

Committees: House Human Services and Housing, Joint Ways and Means

Background and Current Law: Homes, particularly if poorly maintained, raise a number of health concerns ranging from lead-based paint, radon, and carbon monoxide poisoning, to mold from water leaks or excess moisture. Unintentional exposure and household injuries can result. Identifying and eliminating home health hazards can help individuals and families maintain health and wellness. Examples include proper weatherization, removal of lead-based paint, installation of smoke and radon detectors, and decluttering stairways and walkways. The Community Action Partnership of Oregon, delivers federal antipoverty programs in Oregon, including the Community Services Block Grant, Low Income Energy Assistance Program, State Department of Energy Weatherization Program, and others.

Bill Summary: House Bill 2802-A would have appropriated \$15 million in General Fund dollars and established a grant program to assist low-income households with unsafe housing conditions through repair and rehabilitation, administered by Oregon Housing and Community Services (OHCS). The measure also required 50 percent of grants be distributed by the network of Community Action Agencies and created a program to address home health hazards and authorized OHCS to make no-interest loans to eligible entities.

[House Bill 2812](#)

Effective Date: January 1, 2020

Home Ownership Assistance Account Income Limitations

Chief Sponsors: Reps. Keny-Guyer, Meek; Sen. Manning Jr.

Committees: House Human Services and Housing, Senate Housing

Background and Current Law: The Oregon Housing Fund consists of six separate accounts that correspond to programs administered by Oregon Housing and Community Services (OHCS): the Housing Development and Guarantee Account, the Emergency Housing Account, the Home Ownership Assistance Account, the Farmworker Housing Development Account, the General Housing Account, and the Wildfire Damage Housing Relief Account. Funds in the Home Ownership Assistance Account are currently used to support low and very low-income families and individuals with homeownership; however, "low income" and "very low income" are defined terms that limit the use of funds to support families at or below 50 percent of the area median income, and at or below 80 percent of the area median income, respectively.

Bill Summary: House Bill 2812 allows funds in the Home Ownership Assistance Account to be used more broadly, in support of home ownership by households with below area median incomes.

Oregon Laws 2019: Chapter 88

HOUSING

[House Bill 2893](#)

Not Enacted

Establishes Advisory Committee on Manufactured Homes

Chief Sponsors: Rep. Marsh

Committees: House Human Services and Housing, Joint Ways and Means

Background and Current Law: Manufactured homes are an important source of affordable housing. Manufactured homeowners face unique challenges: it is more difficult to obtain traditional financing for a manufactured home than other single-family dwellings, and those who reside in manufactured dwellings often own or rent the dwelling but do not own the land the dwelling sits on in a mobile home park. In recent years, the number of mobile home parks in Oregon (and nationally) has shrunk due to conversion and redevelopment for other uses. According to Oregon Housing and Community Services, from 2001-2015, 104 manufactured home parks closed, displacing approximately 6,800 individuals and 4,000 spaces.

Bill Summary: House Bill 2893 would have created an advisory committee on manufactured housing to address issues of concern to manufactured home parks and homeowners, within Oregon Housing and Community Services (OHCS).

[House Bill 2894-A](#)

Not Enacted

[\(see House Bill 2895\)](#)

Loan Program to Replace Outdated Manufactured Homes

Chief Sponsors: Reps. Marsh, G Smith; Sen. Hansell

Committees: House Human Services and Housing, Joint Ways and Means

Background and Current Law: Manufactured homes are a significant source of affordable housing. It can be more difficult to obtain traditional financing to purchase a manufactured home than other single-family dwellings. In 2015, the average cost for a new single-wide manufactured dwelling in Oregon was \$50,200; \$83,600 for a double-wide. In 2017, according to Oregon Housing and Community Services (OHCS), there were 170,000 manufactured homes in Oregon representing approximately 11 percent of the total housing stock.

Bill Summary: House Bill 2894-A would have appropriated \$2 million from the General Fund and created a loan program to assist individuals with replacing older and less energy efficient manufactured dwellings. The measure would have capped loan amounts at \$35,000 per individual.

HOUSING

[House Bill 2895-A](#)

Not Enacted

[\(see House Bill 2894\)](#)

Grants to Decommission and Dispose of Outdated Manufactured Homes

Chief Sponsors: Reps. Marsh, G Smith; Sen. Hansell

Committees: House Human Services and Housing, Joint Ways and Means

Background and Current Law: According to Oregon Housing and Community Services (OHCS), Oregon had 170,000 manufactured homes as of 2017; home to over 285,000 residents. The federal Environmental Protection Agency (EPA) reports that manufactured homes that old often contain hazardous building materials, such as lead-based paints, pipe, and solder that were commonly used in interior and exterior building materials prior to 1978. Approximately 55 percent of Oregon's existing stock of mobile homes were built prior to 1980. Asbestos-containing materials are also found in roofing, siding, and flooring in manufactured homes built prior to the 1970s. Hazardous materials present safety and economic issues when deconstructing and recycling mobile homes. Labor is required for disassembly, hazardous materials require transportation for disposal at landfills, and there may be abatements costs.

Bill Summary: House Bill 2895-A would have appropriated \$500,000 from the General Fund to establish a grant program to fund deconstruction and disposal of qualified manufactured homes. Also see House Bill 2894

[House Bill 2896-A](#)

Not Enacted

[\(see House Bill 2894-A\)](#) and [House Bill 2895-A\)](#)

Loan Preservation and Affordability Program for Mobile Homes

Chief Sponsors: Reps. Marsh, G Smith; Sen. Hansell

Committees: House Human Services and Housing, Joint Ways and Means

Background and Current Law: Manufactured homes are an important source of affordable housing. Individuals and families that reside in manufactured dwellings or mobile homes often own or rent the dwelling but do not own the land the dwelling sits on in a mobile home park. In recent years, mobile home parks in Oregon (and nationally) have been redeveloped and converted to other uses. According to Oregon Housing and Community Services (OHCS), from 2001-2015, 104 manufactured home parks closed, losing approximately 4,000 spaces and displacing approximately 6,800 individuals. Preservation of manufactured dwelling parks can require capital to buy and replace aging infrastructure or abandoned or dilapidated structures. Since 2006, OHCS's park preservation program has preserved 13 parks for a total of 722 units.

Bill Summary: House Bill 2896-A would have appropriated \$3 million from the General Fund to establish a loan program for nonprofit corporations to support the preservation and affordability of manufactured dwelling parks.

[House Bill 2916](#)

Effective Date: June 17, 2019

Transitional Housing Restrictions

Chief Sponsors: Reps. Marsh, Bonham

At the request of: League of Oregon Cities

Committees: House Human Services and Housing, Senate Housing

Background and Current Law: Transitional housing generally refers to temporary accommodations that provide additional services, such as reintegration and employment support for individuals successfully released from incarceration, or residential treatment settings for individuals with behavioral health concerns or supported camps for individuals experiencing homelessness. Municipalities in Oregon are currently authorized to provide transitional housing in the form of campgrounds within their urban growth boundaries for persons who lack permanent housing but for whom there is no available low-income alternative. Currently, such sites may consist of separate yurt structures; are required to provide parking and walkways; may provide other services such as telephone, water, toilets, showers, and laundry; and the municipality is authorized to limit the duration of a resident's stay. Current law also limits these campgrounds to being sited on no more than two parcels within a municipality. Facilities, if any, are regulated by provisions governing state recreational areas; and Oregon's 2017 Transitional Housing Standard (model building codes available for adoption by municipalities) contains suggested construction standards for their establishment.

Bill Summary: House Bill 2916 lifts the limitation on the number of transitional housing camps established within an urban growth boundary. It also expands the allowed use of such housing to include sheltering individuals who lack safe accommodations. The expressed intent is that such housing is temporary and may include yurts, huts, tents, and other fabric and similar structures. Additional changes to the transitional housing camp statutes are made.

Oregon Laws 2019: Chapter 411

HOUSING

[House Bill 2933](#)

Effective Date: May 6, 2019

Housing as Workforce Development for Eastern Oregon Border Region

Chief Sponsors: Rep. Findley

Committees: House Economic Development, Senate Housing

Background and Current Law: House Bill 2012 (2017) established the seven-member Eastern Oregon Border Economic Development Board, appointed by the Governor, to formulate and implement plans and practices for strategic investment in workforce and economic development in the Eastern Oregon Border Economic Development Region. This is one of seven measures (Senate Bill 875 and House Bills 2453, 2454, 2455, 2456, 2457, and 2933) introduced this session to address priorities of the Board.

Bill Summary: House Bill 2933 makes the development of residential housing necessary to attract and keep employees in the Eastern Oregon Border Economic Development Region part of the “workforce development” purposes and activities of the Eastern Oregon Border Economic Development Board. The measure also authorizes the Oregon Business Development Department to enter into intergovernmental agreements to administer the Eastern Oregon Border Economic Development Board Fund and updates the Board’s statutes.

Oregon Laws 2019: Chapter 72

[House Bill 2997](#)

Effective Date: January 1, 2020

Inclusionary Zoning and Continuing Care Retirement Communities

Chief Sponsors: Rep. Williamson

At the request of: City of McMinnville Affordable Housing Task Force

Committees: House Human Services and Housing, Senate Housing

Background and Current Law: Inclusionary zoning refers to land-use regulations that direct a certain amount of housing development be made available to people of low and moderate incomes. Oregon law prohibits local governments from engaging in inclusionary zoning practices, but the legislature enacted Senate Bill 1533 in 2016 to create an exception to encourage the development of affordable housing. Senate Bill 1533 allowed local governments to impose land use regulations and permit conditions that effectively set the sale or rental price to a particular class or group of people, but only for new multi-family structures of 20 units or more meeting certain requirements. Developers may also opt-out of compliance by paying a fee.

Bill Summary: House Bill 2997 exempts continuing care retirement communities (CCRCs) from inclusionary zoning requirements that may be imposed by local governments. The measure requires CCRCs to record covenants to operate all units as CCRC units and requires any units offered or converted for residential sale or rent to comply with inclusionary zoning consistent with that imposed by local government on new multi-family structures.

Oregon Laws 2019: Chapter 412

HOUSING

[House Bill 3116](#)

Effective Date: June 20, 2019

Commercial Property Assessed Clean Energy Program

Chief Sponsors: Rep. Keny-Guyer; Sen. Fagan

Committees: House Human Services and Housing, Senate Business and General Government

Background and Current Law: Current law establishes the priority for applying proceeds from sales of foreclosed properties to pay delinquent taxes, corresponding penalties and fees, and costs and expenses for property maintenance and related legal actions. If the county has a population of at least 650,000, proceeds from a foreclosure sale must be used to fund certain housing assistance for youth and families with children. Multnomah County is currently the only county in Oregon with a population over 650,000. Multnomah County operates a Commercial Property Assessed Clean Energy (CPACE) program to finance energy efficiency and seismic improvements in commercial buildings. The program uses a benefits assessment, similar to a tax assessment, to finance eligible improvements, which the property owner pays for using energy savings for a finance period of up to 20 years. Under current statute, Multnomah County CPACE lenders are not treated as a lienholder when a property that received CPACE financing is foreclosed and liquidated.

Bill Summary: House Bill 3116 adds to the prioritized list of required uses of proceeds from sales of foreclosed properties, for counties with a population of 650,000 or more, a requirement to repay properly noticed local government liens against such properties for utilities improvements or seismic rehabilitation.

Oregon Laws 2019: Chapter 443

[House Bill 3349-A](#)

Not Enacted

Mortgage Interest Deduction

Chief Sponsors: Reps. Keny-Guyer, Fahey, Hernandez; Sens. Fagan, Steiner Hayward, Golden

Committees: House Human Services and Housing, House Revenue

Background and Current Law: The mortgage interest deduction is an itemized deduction that exists in federal income tax statute and is applicable for Oregon tax purposes due to Oregon's connection to the definition of federal taxable income. The deduction allows taxpayers to reduce their taxable income by deducting the amount of mortgage interest paid during the tax year that is considered acquisition indebtedness with respect to any qualified residence of the taxpayer. Business expenses are allowed as a deduction if the expense is an ordinary and necessary expense paid to maintain business operations. Deductible business interest expenses can include mortgage interest paid.

Bill Summary: House Bill 3349-A would have disallowed, for purposes of personal income taxation, mortgage interest deduction for residence other than taxpayer's principal residence and would have phased out allowable deduction for interest for principal residence based on taxpayer's federally adjusted gross income. The measure would have required the Oregon Housing Stability Council to develop policies to distribute moneys to promote affordable home ownership options and for programs that prevent homelessness. The limitations would have applied to tax years beginning on or after January 1, 2019.

HOUSING

[House Bill 3359-A](#)

Not Enacted

Vacation Occupancy Task Force

Chief Sponsors: Rep. Keny-Guyer

Committees: House Human Services and Housing, Joint Ways and Means

Background and Current Law: Oregon has recently seen an increase in vacation rentals in coastal and other tourist areas whereby a furnished apartment, house, or professionally managed resort-condominium complex is rented out on a temporary basis as an alternative to a hotel.

Bill Summary: House Bill 3359-A would have established the Vacation Occupancy Task Force to study and make recommendations on the regulation of vacation occupancies, including how vacation occupancies impact the availability and affordability of housing and impact the economic development of communities with significant tourism.

[House Bill 3406](#)

Not Enacted

Rural System Development Charges Program

Chief Sponsors: Rep. Lewis

Committees: House Human Services and Housing

Background and Current Law: System Development Charges (SDCs) are one-time fees charged on new development, and certain types of redevelopment, to help pay for existing and planned infrastructure to serve the development. SDCs are one means of financing growth available to local governments. State law authorizes local governments (cities, counties and special districts) to assess SDCs and specifies how, when, and for what improvements they can be imposed, and provides guidelines on the calculation and modification of SDCs. Depending on the project, SDCs may increase a project's budget substantially.

Bill Summary: House Bill 3406 would have required the Oregon Housing and Community Services Department (OHCS) and the Oregon Housing Stability Council to develop and implement the Rural System Development Charges Program. The measure outlined criteria for a housing project to receive funds from the program, including that it be for affordable multifamily housing and would have established the Rural System Development Charges Fund within the State Treasury. The measure would have appropriated \$750,000 from the General Fund, for deposit into the Rural System Development Charges Fund, for the biennium beginning July 1, 2019, with a sunset of June 30, 2027.

House Bill 3406 would have required Oregon Housing and Community Services (OHCS) and the Oregon Housing Stability Council to develop and implement the Rural System Development Charges Program to pay the system development charges for rural affordable multi-family housing. The measure would have appropriated \$750,000 from the General Fund to support the program.