

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2436
CARRIER:**

REVENUE: Yes - Revenue Impact

FISCAL: Yes - Fiscal Impact

Action: Do Pass and be referred to the Committee on Ways and Means by prior reference

Vote: 7 - 3 - 0

Yeas: Bailey, Bruun, Gelser, Kahl, Read, Riley, Barnhart

Nays: Bentz, Berger, Sprenger

Exc.: 0

Prepared By: Mazen Malik, Economist

Meeting Dates: 02/02/09

WHAT THE BILL DOES: Establishes fee for recording of documents in deed and mortgage records of county. Directs county clerk to transfer amounts collected to Housing and Community Services Department to fund housing programs of department. Modifies affordable housing programs and requires rulemaking. Establishes General Housing Account in Oregon Housing Fund. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Revenue estimates for the different programs and other similar funding based on Document fees.
- Costs for county clerks, impacts on their workload, impacts on counties and number of expected transactions.
- The programs expected to be funded by the new revenue, and the different agreements between the coalition partners and the industry (realtors, bankers and home builders).
- Tax and cost implications for the customers, and the impact on taxpayers.
- The history and the process of the agreements around the document-recording fees. Related "proposed" legislation and its affect and on the different fees (HB 2473, SB 396).
- The state policy toward housing and the need to fund the housing programs.

EFFECT OF COMMITTEE AMENDMENTS: No Amendments

BACKGROUND:

The Oregon Housing and Community Services Department (OHCS D) administers several housing programs. These programs facilitate housing and home ownership for the low and moderate income families. This bill will establish a new dedicated source of funding for housing programs. The dedicated fee of \$15 for most documents recorded by the county clerks will constitute this funding source. The new fee follows the same regime of the \$1 fee for OR MAP. The county clerks also collect document fees of \$10 for County Assessment and Taxation program. However, county clerks are able to deduct 5% for their expenses out of that \$10.

The new funding will mostly (76%) go to the General Housing Account (GHA). The GHA is a new account established by this bill, and its administration is given to OHCS D. The rest of the funds go to the Emergency Housing Account at the 10 % level, and the remainder (14%) goes to the Home ownership account.

Finally, the bill sharpens the language on low (50% to 80%) and very low income (less than 50% of the local median family income). An addition of ethnic minorities is specified and included. The funds are continuously appropriated to OHCS D and the fees are made affective 91 days after adjournment (October 1st).

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