



STEPHEN WRIGHT MAY 5, 2025 TESTIMONY OPPOSING HB 3190A

Chair Meek and committee members

I'm Stephen Wright and I oppose House Bill 3190-A currently as written.

The House Revenue and Finance Committee took only minutes to pass the amended version of the bill. The changes between the original bill and the amendment are extensive and deserve close examination, along with thinking back two years ago why the legislature ended this 50 year old tax break. As an illustration.

Paragraph (1)(a) reads: "Commercial property" means improved real property that is used in a trade or business or held for the production of income, including but not limited to: (A) Single-family or multifamily residential rental property.

Let me use the single-family residential rental property as an example. There are currently over 120 rental single family homes in Portland historic districts. What's to stop a private equity firm from buying one or many of these homes for individual rentals or AirBnBs and applying for the historic property special assessment program for an unlimited number of consecutive or non-consecutive 10-year special assessment terms. This illustration also applies to multifamily residential rental properties.

Illustration # two

The proposed bill also limits the ability of local jurisdictions to deny multiple consecutive 10 year exemptions. It expands what the required

expenditures can be to include everything from solar panels and heating systems to bathroom remodels or normal maintenance.

Illustration # three

Wisely, two years ago the legislature decided to end this now 50 year old tax break, begun at a time when historic property was being torn down or defaced with 70's "modernization," to help protect it. Those same properties and neighborhoods are now highly valued and buyers are well aware of the extra costs they will need to bear. Further the bill gives rental owners yet another tax break that owner-occupied residents will not have.

The Revenue Impact of the proposed legislation for the 25-27 biennium is \$.4M and increases to \$1M the following biennium. Doesn't sound like much money, does it? However, given all the economic uncertainty with no end in sight, mounting trade tensions affecting our cost of living, and the confusion and uncertainty surrounding government funded state services, as well as Oregon's commitment to education, public safety and services, I believe every \$1M like this in increased expenditures-saved adds up over time.

Thank you for the opportunity to testify today. I welcome any questions.