



SB 1095A – Authorizing counties to put fees on unoccupied homes

Senate Finance and Revenue – Jody Wiser – April 16, 2025

My name is Jody Wiser and I am representing Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

When we reviewed this bill, we were not sure what the goal of the bill is. It could be aimed at second homes that are infrequently used. Or it could be aimed at homes that sit vacant for years on end, often for no apparent reason.

My testimony assumes the latter.

When we spoke about this bill at our meeting recently, we discovered that we knew of five homes, in our solid, above average-value neighborhoods which have been vacant for years. We assume the owners have seen their ownership as investment opportunities and are wealthy enough to decide not to bother with renters. These vacant homes certainly have contributed to our housing shortage.

Three are brand new or newer, larger homes which have sat empty for 6-12 years.

In Portland's southwest hills, one was empty for seven years. When the original owner moved to a condo near his OHSU job, his parents purchased the home and held onto it, leaving it uncared for while living in their home country. Upon their decision to stay in their home country, or perhaps because of pressure from the neighborhood, the home was finally sold.

In my neighborhood, a brand-new home was purchased for \$900,000 and went unoccupied for 12 years, until it was sold. No one in the neighborhood knows the story behind that home.

A second newer home is a few blocks away. It's a large, 17-year-old home. It sat vacant, with curtains in the windows, a car in the driveway and lawn service for about six years. Just recently someone has moved in without a for-sale sign. Perhaps the owners are back or perhaps someone is renting from them finally.

Meanwhile, two other 50s-era homes on large lots were left empty and derelict for about ten years, until the January 2024 storm dropped multiple trees on them. Because the neighborhoods have no public transit or services, there were no squatters in any of these homes. But they definitely looked uncared for and empty.

One was purchased with the intention of demolishing the home and building a new home, but then the owner found something else to buy, and just held onto the property until the storm. The property now has three construction-ready lots, with one sold.

The other was a two or more acre lot with a 1700 square foot older home. The property was purchased and a new, larger home was built deeper in the property. But the original home was left vacant for most of ten years. One renter talked the owner into renting for a couple of years and made some improvements but then he moved on. The home again sat empty for another couple of years. While the storm-damaged structure has been removed, the lot remains an eyesore that is a potential—dare we say wasted—home site, unused in a housing crisis.

We suspect that if each of these owners had been paying an extra fee, say of \$1000 a month or 3% of value, they might have been encouraged to use those structures to provide housing.

The fee idea can be a successful way to address the problem of unutilized housing stock. Consider the example of Washington DC. Enforcement is by a government agency, but reporting is done by police dealing with squatters, by neighbors, and by a few people – busybodies some might call them – who roam the streets looking for homes that are not in use, confirm with neighbors and then report them to authorities.

Vancouver, Canada, implemented a surcharge on empty homes in 2017, initially at a rate of 1% of the property's value and later adjusted to 3%. According to Canadian news reports, it raised some \$115 million over the five years, with the money directed to affordable housing initiatives, housing construction and renter advocacy programs. In addition, **the number of vacant homes fell by 36% the city reported.**

Atlanta recently approved a new “blight tax” that could increase tax bills of blighted properties by up to 25 times the current city tax rate; the bill does not apply to occupied properties (to prevent displacement) and qualifies property owners rehabilitating their properties for a reduced tax rate.

Obviously any such measure here would need to be “carefully calibrated” to effectively boost housing stock, while remaining fair and equitable to owners whose homes might be temporarily vacant because of fire, military service, remodeling or medical needs.

Any community implementing this bill will need to refine their plan beyond what the bill includes. Perhaps the number of days should be open in the bill as is the fee. 180 days seems low for a vacant property targeted measure.

We read the bills and follow the money