



2021 LEGISLATIVE SESSION
DEFENDING HOMEOWNERSHIP IN OREGON

FROM TERESA ZAMORA, 2021 GOVERNMENT AFFAIRS KEY COMMITTEE CHAIR

The 2021 Oregon Legislative Session began on January 19 and ended on June 26, 2021. With supermajorities in both the Oregon Senate and the House of Representatives, and despite the Capitol being closed to the public due to the coronavirus pandemic, it was an incredibly ambitious and intense session.

With more than 2,500 bills introduced, the Government Affairs Key Committee identified nearly 400 bills that stood to impact the real estate industry. In accordance with the 2021/2022 Legislative Policies adopted by the Board of Directors, the Government Affairs Key Committee and Oregon REALTORS® staff actively supported or opposed many of these bills and worked with legislators on both sides of the aisle to amend legislation to protect the industry, defend homeownership, and encourage development to improve Oregon's housing shortage crisis.

One highlight of the legislative session was REALTOR® Day, which was held virtually for the first time in the Association's history due to the pandemic and associated closure of the Capitol. More than 500 REALTORS® from across Oregon attended REALTOR® Day virtually to engage their elected officials and voice their concerns on pending legislation. This level of grassroots advocacy is unmatched among industry groups in the state and was integral to the success of Oregon REALTORS® this session.

In the end, there were some major victories and some places we had to concede, but our influence was perhaps best demonstrated by our ability to shape important legislation. This report tells the story of the 2021 session as it relates to the Oregon REALTORS®. We hope you find it informative and that it inspires you to get involved in the Association's advocacy efforts.

It was an honor serving as your Government Affairs Key Committee Chair for this historic legislative session.

Sincerely,



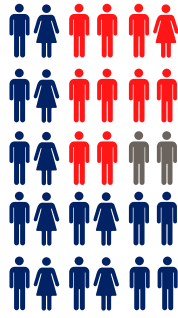
Teresa Zamora



2021 OREGON LEGISLATURE

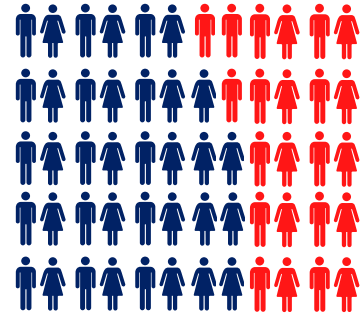
SENATE

18 Democrat / 10 Republican / 2 Independent



HOUSE

37 Democrat / 23 Republican



Governor

Kate Brown



Senate President

Peter Courtney



House Speaker

Tina Kotek



Senate Majority Leader

Rob Wagner



Senate Republican Leader

Fred Girod



House Majority Leader

Barbara Smith Warner



House Republican Leader

Christine Drazen



2021 LEGISLATIVE RECAP



GOVERNMENT AFFAIRS

legislative update

While the pandemic originally brought legislators together in a bipartisan fashion during several special sessions, partisanship certainly played a prominent role as the 2021 session progressed. We saw not only two Republican Senators form an Independent caucus midway through session, but also the official expulsion of a member of the House of Representatives for the first time in history and the resignation of another when faced with expulsion as well.

With the pandemic raging and the state virtually shut down, the legislature began the session with a gloomy revenue outlook. However, by mid-May it had become clear that Oregon would emerge from the pandemic with an enormous surge of economic growth and significant federal investment resulting in a \$2.8 billion budget surplus, \$1 billion more than was forecast at the beginning of the session.

As for leadership priorities, the Governor and Democratic leaders entered the 2021 session with a bold agenda focused on the following:

1. Supporting Oregonians hardest hit by the COVID-19 pandemic
2. Recovery from the 2020 wildfires
3. Equity and social justice
4. Police reforms
5. Climate change and decarbonization
6. Behavioral healthcare system improvement

Oregon REALTORS® tracked all of these issues closely but focused its lobbying efforts on those most directly related to the Association's 2021-2022 Legislative Policies adopted by the Board of Directors. Additionally, Oregon REALTORS® focused on four key priorities this session: defending homeownership, encouraging housing development, protecting property rights, and upholding and expanding fair housing principles. The following pages include summaries of key bills, the Association's position on them, and their status at the end of the session.



DEFENDING HOMEOWNERSHIP

SB 852

MORTGAGE INTEREST DEDUCTION ELIMINATION
OPPOSED/DEAD

HB 2578

MORTGAGE INTEREST DEDUCTION ELIMINATION
OPPOSED/DEAD

HB 2838

MORTGAGE INTEREST DEDUCTION ELIMINATION
OPPOSED/DEAD

These three bills would have eliminated the mortgage interest deduction for all second homes, and phased out for primary residences based on the taxpayer's income level, starting as low as \$100,000 per year.

Oregon REALTORS® opposed all three bills and were instrumental in preventing them from passing this session. Unfortunately, we expect similar proposals to be revisited in future sessions and will continue to advocate against gutting the state's most popular ownership incentive.

HB 2238

CLARIFIES GOVERNOR'S AUTHORITY TO USE
PROPERTY DURING AN EMERGENCY
OPPOSED/DEAD

This bill would have expanded the state's eminent domain authority. In a state where the Governor's executive powers are already broad and far reaching, HB 2238 would have removed the state's requirement to file a condemnation action during an emergency if the taking of the property is temporary.

The swift action and opposition of Oregon REALTORS® and our members was instrumental in the bill not moving forward.



ENCOURAGING HOUSING DEVELOPMENT

SB 391

RURAL ADU'S
SUPPORTED AS AMENDED/PASSED

SB 391 was a top priority of housing advocates this session and enjoyed broad bipartisan support throughout the legislative process. This bill allows counties to authorize owners of land zoned rural residential to construct one accessory dwelling unit (ADU) on a lot or parcel, subject to certain conditions and compliance with local land-use regulations.

The proposal was also evaluated with an eye towards increased risk of wildfire and requires counties to establish regulations on adequate access to ADUs for wildfire mitigation, evacuation, defensible space, and fuel-break standards in consultation with local fire protection service providers. In the spirit of encouraging development and allowing private landowners additional flexibility in what to do with their land, Oregon REALTORS® advocated for a similar policy in past sessions and was pleased to see SB 391 pass in 2021.

SB 458

STREAMLINES PROCESS FOR
DEVELOPMENT OF MIDDLE HOUSING
SUPPORTED AS AMENDED/PASSED

SB 458 was a necessary follow-up to 2019's HB 2001, House Speaker Tina Kotek's landmark legislation that eliminated exclusive single-family residential zoning in Oregon. HB 2001 required cities to allow for the development of duplexes, triplexes, 4-plexes, and cottage clusters on land zoned for single-family use, but it did not mandate that any new housing types be built.

To improve the likelihood that much-needed units would be built in the future, Oregon REALTORS® supported a coalition of advocates led by Habitat for Humanity of Oregon and the Oregon Home Builders Association in their efforts to pass SB 458 this session. This bill allows the creation of fee-simple lots for newly constructed middle housing units that meet the local development code.



ENCOURAGING HOUSING DEVELOPMENT

SB 458 (CONTINUED)

STREAMLINES PROCESS FOR
DEVELOPMENT OF MIDDLE HOUSING
SUPPORTED AS AMENDED/PASSED

Aimed at increasing the construction potential of middle housing units, the ultimate goal is to increase opportunities for homeownership by creating consistency across the 49 cities implementing HB 2001.

The processes instituted by SB 458 will provide the certainty that market-rate builders need to increase our state's supply of affordable units for first-time home buyers. Oregon REALTORS® supported the bill throughout the process and was instrumental in securing its passage.

SB 765

PERMANENT REMOTE ONLINE NOTARIZATION
SUPPORTED/PASSED

The pandemic taught us a lot of things, especially how important it is to be able to communicate and conduct business via modern technology.

In the early days of the COVID-19 pandemic, the legislature met for their first special session of 2020 and eased some rules allowing industry and business to remain productive. One of those items was a temporary allowance of Remote Online Notarization (RON). About half of the states in the U.S. allowed for RON at that time. Oregon was one of the states that did not allow it. During the 2021 legislative session the legislature passed this bill with REALTORS® support, which makes RON permanent in certain circumstances.



PROTECTING PROPERTY RIGHTS

SB 278

60-DAY SAFE HAVEN/100% COMPENSATION FROM LANDLORD COMPENSATION FUND
SUPPORTED AS AMENDED/PASSED

Oregon REALTORS® fought for significant amendments as the bill progressed in a partisan fashion, ultimately securing a critical amendment that ensured that landlords would receive 100% of lost rent from the Landlord Compensation Fund. With the amendment adopted, the bill passed with significant bipartisan support in both chambers.

SB 330

TAX CREDITS FOR RENT FORGIVENESS
SUPPORTED/DEAD

With the passage of an amended SB 278, the need for SB 330 was eliminated, as the main focus of the bill was to reimburse landlords for the required 20% forgiveness that was initially proposed for the Landlord Compensation Fund.

HB 3090

SEPTIC REPLACEMENT
SUPPORTED/PASSED

This bill included \$2 million in funding for the revival and administration of the Department of Environmental Quality's program on Affordable Septic System Replacement Loans, which has helped thousands of Oregonians deal with septic system failures since its inception. Recognizing these failures as a problem for water quality, public health, and family resilience, the legislature established the program in 2016. Since then, it has been administered by a single organization, Craft3, who had to suspend the program in July 2020.

Oregon REALTORS® supported a coalition of organizations led by Craft3 to advocate for a fresh injection of state funding for the program, which will now be solvent for at least the next two years.



UPHOLDING FAIR HOUSING PRINCIPLES

HB 2703

LARRC FAIR HOUSING CURRICULUM
SUPPORTED/PASSED

HB 2703 came out of the Legislature's Joint Taskforce on Addressing Racial Disparities in Homeownership. Co-Chairs Rep. Mark Meek and Rep. Jack Zika brought to light the importance of ensuring housing professionals have adequate and contemporary training in Fair Housing Laws.

Currently, real estate licensees are only required to take a fair housing course in the mandatory pre-licensing course. This bill ensures that fair housing is a part of the continuing education. It enhances CE requirements for real estate professionals, making an up-to-date course on fair housing laws mandatory as part of the three-hour Law and Rule Required Course. Oregon real estate licensees will be required to take a fair housing course, certified by the Real Estate Agency, every two years.

This new rule applies to licenses that renew or activate on or after July 1, 2022. Oregon REALTORS® is proud to have supported this bill.

HB 2550

LOVE LETTERS
SUPPORTED/PASSED

Let the offer do the talking. This bill requires seller's agents to reject buyer love letters. Oregon REALTORS® supported this bill and worked to amend the bill in the Senate to make it easier to comply with. Oregon is the first state in the U.S. to take this step to reduce the likelihood that sellers discriminate against buyers based on race, color, religion, sex, sexual orientation, national origin, or familial status. This law will take effect on January 1, 2022.



2021 LEGISLATIVE RECAP

KEY		
PASSED		OPPOSED
SUPPORTED		DEAD
MONITORED		FAILED

BILL	POSITION	RESULT
<u>SB 8</u> - EXPANDS OPTIONS FOR SITING AFFORDABLE HOUSING DEVELOPMENTS		
<u>SB 139</u> - PASS-THROUGH ENTITY TAXATION		
<u>SB 278</u> - 100% COMPENSATION FOR LOST RENT FROM LCF		
<u>SB 282</u> - GRACE PERIOD FOR REPAYMENT OF PAST-DUE RENT EXTENSION		
<u>SB 330</u> - TAX CREDITS FOR RENT FORGIVENESS		
<u>SB 391</u> - RURAL ADU'S		
<u>SB 458</u> - STREAMLINES PROCESS FOR DEVELOPMENT OF MIDDLE HOUSING		
<u>SB 765</u> - PERMANENT ONLINE NOTARY		
<u>SB 852</u> - MORTGAGE INTEREST DEDUCTION ELIMINATION		
<u>HB 2009</u> - RESIDENTIAL FORECLOSURE MORATORIUM TO JUNE 30, 2021		
<u>HB 2100</u> - ESTABLISHES TASK FORCE ON HOMELESSNESS AND RACIAL DISPARITIES		
<u>HB 2238</u> - CLARIFIES GOVERNOR'S AUTHORITY TO USE PROPERTY DURING AN EMERGENCY		
<u>HB 2522</u> - MODEL RECREATIONAL VEHICLE TITLING STATUTE FIX		
<u>HB 2550</u> - LOVE LETTERS		
<u>HB 2578</u> - MORTGAGE INTEREST DEDUCTION ELIMINATION		
<u>HB 2703</u> - LARRC FAIR HOUSING CURRICULUM		
<u>HB 2838</u> - MORTGAGE INTEREST DEDUCTION ELIMINATION		
<u>HB 3090</u> - SEPTIC REPLACEMENT		
<u>SJR 1</u> - REPEALING AD VALOREM PROPERTY TAXATION SYSTEM		

