

Submitter: Ron Garcia

On Behalf Of:

Committee: House Committee On Rules

Measure, Appointment or Topic: HB3974

It costs about \$60 to screen an application using a 3rd party screening company to ensure the prospective tenant meets the legal criteria to rent a unit.

Oregon law prohibits landlords or property managers from making a profit on this fee and requires any application fee to be refunded within 30 days if the application was not processed.

The argument that the landlord should absorb 2/3 of the expense (the fee above \$20) as a "cost of doing business" does not work. A cost of doing business is an expense that is offset by the profit margins available to provide a service - there is NO OTHER REASON to be in business. And, because rents (i.e. "income" to our business) are capped by state law, there is no opportunity to allocate any additional revenue to offset this expense. When small management companies like ours are screening 30 - 50 applications per month, this burden of loss becomes a tipping point. This bill fuels the suspicions that the ultimate goal is to prevent landlords from screening any perspective tenants in order to help resolve a housing crisis by moving all people into vacant units without evidence of their ability to pay. It thus is not a 'cost of doing business' but instead is a mandate to create a privately funded solution to subsidize a homelessness crisis which the landlords and property managers did not create, are in the business to provide housing, and will only get worse if their business models fail.