



March 22, 2023

Senate Committee on Housing and Development

RE: SB 919

The League of Oregon Cities (LOC) is an intergovernmental association which represents all of Oregon's 241 cities across the state.

Cities provide critical services including police and fire protection, sewer and water treatment, libraries, parks and recreation, street maintenance, and social services. Cities are increasingly responding to the housing crisis with innovative solutions to keep their residents housed. Many programs and services have been functioning with the help of federal pandemic relief funds, much of which expires soon.

LOC supports the goal of this legislation to incentivize the development of new housing and we appreciate the improvements that have been made to the bill:

- Clarifying the exemption applies to new ADUs and new conversions of single unit to multi-unit middle housing
- Excluding temporary vacation lodging
- Changing “frozen assessed value” to “exemption”

**SB 919 can be further improved by making the property tax exemption local option by ordinance instead of an automatic exemption.** Local option property tax exemptions provide cities the opportunity to weigh the benefit of potential new ADUS and conversions against the risk of reduced revenue.

We are looking forward to further conversation around this property tax exemption and reviewing the revenue impact in the Joint Committee on Tax Expenditures.

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