

HOUSE COMMITTEE ON GENERAL GOVERNMENT Subcommittee on Government

March 18, 1993 Hearing Room 357 8:30 a.m. Tapes 34 - 37

MEMBERS PRESENT: Rep. Del Parks, Chair Rep. Jim Edmunson Rep. Patti Milne Rep. Sharon Wylie Rep. Cedric Hayden, ex-officio

VISITING MEMBER: Rep. Ken Baker

STAFF PRESENT: Janet Adkins, Committee Administrator Amy Jahnke, Committee Assistant

MEASURES CONSIDERED: HB 2747 HB 2752 [--- Unable To Translate Graphic ---]

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. [--- Unable To Translate Graphic ---]

TAPE 34, SIDE A

CHAIR PARKS: Calls meeting to order. (10:30 a.m.)

PUBLIC HEARING ON HB 2747 AND 2752 Witnesses: Rep. Roberts, House District 21; Rep. Vanleeuwen, House District 37 Rep. Tim Josi, House District 2 Al Young, Seaside Rentals James Harrison Don Larson Irv Iverson Herbert M. Schwab, Mayor of Cannon Beach Karolyn Adamson, Councilor, City of Cannon Beach Bud Kramer Peg Almquist, representing twenty-two full time residents Patricia A. Kearney, Councilor Lola Sorensen John Draneas, Cannon Beach Rental Owners Peter A. Gartshore Elizabeth (Betty) Wilson Mary Gartshore Bill Allred, Hallmark Inn Sandra L. Rea, The Citizens of Seaside Jerome G. Arnold Tom Barrows, City of Bend Kelly Ross, Oregon Association of Realtors Richard Caplan, Oregon Association of Realtors John Buckley, City Council Member, Cannon Beach 010 JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes the two bills, submits informative materials.

037 REP. ROBERTS, HOUSE DISTRICT 21: I have, at the request of constituents, introduced HB 2747.

_ There are concerns from people that bought vacations homes at the beach thinking they could help pay for them by renting them.

068 REP. VANLEEUEWEN, HOUSE DISTRICT 37: Submits proposed amendment to HB 2752, (EXHIBIT A.).

_ The purpose of HB 2752 is to provide another type of housing and at the same time make it possible for senior citizens and others in similar situations to stay in their own homes.

105 CHAIR PARKS: "Do you know of any cities or municipalities that presently prohibit this type of rental facility?"

Rep. Vanleeuwen: I do know of some who charge a considerable fee, for any structural change you make in your property.

115 REP. JOSI, HOUSE DISTRICT 2: Opposes HB 2747; "I believe that a most basic element to address here is that of local control, and I find it a bit ironic that this legislative session is taking a good strong look at LCDC and the big issue is local control".

145 AL YOUNG, SEASIDE RENTALS: Testifies in support: submits written testimony (EXHIBIT B).

194 CHAIR PARKS: "Why should the legislature tell the people of Cannon Beach how to run their town?"

Young: "Well my first response Mr. Chair would be: Why should we send them lottery money to run their tourism program, because we are one state?";

_ Banning vacation rentals - not just an infringement on the owner of that vacation rental, it's an infringement on people who go and rent them.

219 Rep. Edmunson: "What about the effect on the town, the markets and shops, people coming in to rent these homes are they spending money in

that community? We are talking about an industry here."

228 Young: "We Would see more people going to the Safeway store in Seaside and bringing it home to prepare rather than going to the restaurants."

Rep. Edmunson: "If vacation properties are not available, will people pay the extra money and go to the Shilo Inn and go to shops, or will they stay home, or will they stay at the Shilo and spend all their money at the Shilo Inn?".

248 YOUNG: People will go where they are wanted, they may even pay their friend under the table or where there is accessibility.

325 JAMES HARRISON: Testifies in support; submits written testimony, (EXHIBIT B).

_ Owns small duplex in Seaside.

429 DON LARSON: Testifies in support; submits written testimony, see Exhibit B.

_ Owns vacation property on Beach Street.

TAPE 35, SIDE A

100 LARSON: continues.

116 IRV IVERSON: Testifies in support, reads letter from Irwin J. Harrowitz, for the record, see: Exhibit B.

155 CHAIR PARKS: "How much do you pay for the permit?"

Iverson: "Fifty dollars per house."

REP. HAYDEN: "Are the home owners organized, do you have a group; do you meet regularly, or is this an ad hoc organization?".

169 YOUNG: It's a pretty formalized group; Mr. Harrison and a group of people got together and put out eight newsletters.

_ Reads letter for the record, see: Exhibit B.

HERBERT SCHWAB, MAYOR OF CANNON BEACH: Testifies in opposition; submits written testimony, (EXHIBIT C).

340 KAROLYN ADAMSON: Testifies in opposition; submits written testimony and informative material (EXHIBIT D).

TAPE 34, SIDE B

047 ADAMSON: Continues.

060 REP. HAYDEN: How long have you lived in Cannon Beach?

ADAMSON: Twenty two years.

BUD KRAMER, CANNON BEACH: Testifies in opposition.

081 CHAIR PARKS: Calls five minute break.

_ Calls the hearing back to order. (12:16 p.m.)

100 PEG ALMQUIST: testifies in opposition to HB 2747. submits written testimony, (EXHIBIT E.).

163 PATRICIA KEARNEY, CITY COUNCILOR, CITY OF MANZANITA: Testifies in opposition of HB 2747; submits written testimony (EXHIBIT F).

_ We are just starting to sort this out in Manzanita; we would like to do this ourselves.

225 CHAIR PARKS: Do you have a licensing procedure?

KEARNEY: We do; we are trying to amend what we have now.

CHAIR PARKS: How many folks live in Manzanita?

KEARNEY: 650; we just annexed a close area; about 850 houses.

256 LOLA SORENSON: Testifies in opposition to HB 2747; submits written testimony (EXHIBIT G).

CHAIR PARKS excused. 12:30 pm

310 JOHN DRANEAS: Testifies in support of HB 2747; submits written testimony, (EXHIBIT H).

TAPE 35, SIDE B

095 PETER GARTSHORE: Testifies in support of HB 2747; "The term greed was used earlier to describe short term renters, It hurts a lot to hear that because I was one, I am not now, but greed seems to be on the part of

those who wish to pull the ladder up after you have your place on the ocean, I think we need to share what we have."

137 BETTY WILSON, VACATION HOME OWNER: Testifies in support of HB 2747; "We do rent our place out, we rent it to people that we know, its mostly

repeat business, we have had no complaints from neighbors about the noise."

_ "Several years ago an unsuccessful attempt was made by the City of Cannon Beach to prohibit short term rental, now once again our lives are disrupted and property threatened by another rental control."

165 MARY GARTSHORE: "I'm in favor of HB 2747 and for local control that is done in an open forum." _ H.O.P.E = Home Owners Pursuing Equality and it also stands for home

owners pursuing equality for all of Cannon Beach; we care about the interests of full time Cannon Beach residents as well as our own.

215 REP. BAKER: Are any of you aware of problems in other communities?

DRANEAS: "This is foreseeable in Sun River.

226 BILL ALLRED, HALLMARK INN: Testifies in support; "Over ninety percent of all short term rental use on the Oregon coast occurs on weekends,

holidays and summer months, this is also a time when every motel on the coast is full, without the availability of short term rentals where are visitors, family friends, co-workers, etc. going to stay?"

_ I also have thirteen short term rentals.

CHAIR EDMUNSON: We will break and move to hearing room C for the remainder of the meeting. (1:00 p.m.)

CHAIR EDMUNSON: Calls the hearing back to order (1:12 p.m.)

SANDRA REA: Testifies in opposition to HB 2747.

_ People were going into residential neighborhoods purchasing homes for

use as vacation rentals and they changed the feel of the area.

TAPE 36, SIDE A

038 JEROME ARNOLD, CANNON BEACH RESIDENT: Testifies in opposition to HB 2747.

_ Describing property prices, tax increases; My property value has gone up five hundred and forty percent in thirteen years, my income cannot keep up with that.

_ The short term rental has created such a demand for the property that it has escalated out of sight.

150 ARNOLD: Reads definition of community; "I urge you not to pass this ordinance."

160 TOM BARROWS, CITY OF BEND: Testifies in opposition to HB 2747; submits letter from the Mayor of Bend. (EXHIBIT I).

178 KELLY ROSS, OREGON ASSOCIATION OF REALTORS: Testifies in support of HB 2747; "Primary concern of our organization is private property rights."; "We can't create separate classes of property owners whether they be

residents of their property or live elsewhere, whether they rent their property or not."

CHAIR PARKS: "Would this prevent Cannon Beach from passing any legislation to deal with what they perceived were the problems."

ROSS: "I interpret the bill to say that they couldn't prohibit short term rentals; if amendments were proposed to allow regulatory authority, we would support that."

_ The outright prohibition is going too far.

240 RICHARD CAPLIN, REALTOR, PORTLAND: Testifies in support of HB 2747; "We list and sell property for people that want to live there permanently,

or are buying property to live there for either vacation time or half time of the year."

_ "We have people who live and work in our office on the coast and they say people are concerned, afraid to buy on the coast, because if they buy now with the intention of supplementing the cost by renting it out, they are concerned that in the future they may not be able to do that".

355 REP. EDMUNSON: "My concern is the disparity between Clatsop County and the greater metropolitan area; can you give me any idea of the rate of

the increase in property values on the north coast compared to the rest of the state over the last ten years or so?

CAPLIN: The coast has gone up faster, it is a place people want to be.

REP. EDMUNSON: Are sales for new construction vs. existing?

CAPLIN: Sales for new construction depends on land; there hasn't been that much.

415 REP. EDMUNSON: " So your answer is, there is not much new construction".

_ " Can you give us any information on the market for multi-family developments, apartments, etc."

CAPLIN: Talks about property, zoned for a duplex, and was considered to be great piece of property, but was for sale for a long time, almost one year; concludes.

TAPE 37, SIDE A

030 JOHN BUCKLEY, ELECTED CITY COUNCIL MEMBER, CANNON BEACH: Gives background; "I also own a business in Cannon Beach, on Hemlock Street

down town, the new book store there, next door to the bakery".

_ We may be seeing some subsistence, multiple family dwellings blooming east of city hall; it's not that there is a lack of interest.

REP. EDMUNSON: The 1% vacancy rate was a problem when I lived there

fifteen years ago and it sounds like it still is. BUCKLEY: Describes actions of the City Council; I'm suggesting that

there is a lot of outreach and a great deal of openness.

109 BUCKLEY: Approximately 800 - 900 motel rooms are available in Cannon Beach; you heard someone say it is closed, but it isn't closed.

127 REP. EDMUNSON: "Does Cannon Beach make any distinction for private residence's that may be in "RM" zones?"; "if there is a private

residence in an RM zone, could it be rented out on a nightly basis?"

BUCKLEY: "Yes".

157 KAROLYN PLUMBER, REALTOR, OWNER VACATION PROPERTY, LINCOLN CITY: Testifies in support; Lincoln City has worked out the problem

satisfactorily without banning vacation rentals.

215 REP. PARKS: "How can you say that those are residential use, when they are not residence?"

PLUMBER: "They are residences, the only difference between the person who rents comes and rents

a home for a week and occupies it in a residential fashion verses the person who rents it for 31 days or 6 months or whatever, the only difference is duration."

244 PLUMBER: continues.

351 REP. PARKS: "You took care of your business without the state interfering?"

PLUMBER: "Yes".

REP. PARKS: Thank you, that is a good answer; "I would say that, I have been a lawyer for about thirty years and the last place you want to solve your problems is in court, but I learned something when I came here two years ago, going to court is better than coming to legislature." We are adjourned. (2:10 p.m.)

Submitted by, Reviewed by,

Amy Jahnke Janet Adkins Committee Assistant Committee Administrator

EXHIBIT SUMMARY: A - HB 2752: Proposed amendment submitted by Rep. Vanleeuwen, pp 1 B - HB 2747: Six letters to the committee submitted by Al Young, pp 9 C - HB 2747: Letter to committee submitted by Herbert Schwab, pp 2 D - HB 2747 and 2752: Letter to committee submitted by Karolyn Adamson, pp 6 E - HB 2747: Letter to committee submitted by Bud Kramer, pp 1 F - HB 2747 and 2752: Letter to committee submitted by Peg Almquist, pp 1 G - HB 2747: Letter to committee submitted by Patricia Kearney, pp 1 H - HB 2747: Testimony of Cannon Beach Vacation Home Owners submitted by John Draneas, pp 14 I - HB 2747: Letter to Representative Parks submitted by Tom Barrows, pp 1 J - HB 2747: Letters to committee submitted for the record by staff, pp 10