

# Rental Registration Fee and Vacancy Tax

## PROJECT SPECIFIC INFORMATION

AMI/population targets	Up to 120% AMI
Unit Creation Potential	Low
Type of Housing	Rental

## PARTNERSHIP OPPORTUNITIES

Private partnerships	No
Community partnerships	Partnerships with organizations providing housing services, such as fair housing and habitability enforcement.

## CONSIDERATIONS FOR IMPLEMENTATION

Program Readiness timeline	2-5 years
Additional Staff Required	2-3 FTE
Magnitude of initial investment	\$400,000.00
Risks	Investment in rental registry structure prior to vacancy tax implementation and identified legal risks
Proven track record in Oregon	Yes, both Eugene and Portland operate rental registries. There are no current residential vacancy tax programs in Oregon, but Portland is exploring a commercial-focused vacancy tax for ground-floor retail and Pendleton has started imposing fees for vacant commercial properties downtown.



# Rental Registration Fee and Vacancy Tax:

## DESCRIPTION OF PROGRAM:

Municipalities can collect information on rental properties through a rental registration fee. Such a fee can support programs to collect data on the rental community, such as vacancy rates, rental property ownership, understanding local rent conditions or improving enforcement of rental housing conditions.

A vacancy tax charges property owners for unoccupied residential or commercial properties. It is intended to disincentivize prolonged vacancies and housing speculation, thereby increasing the number of housing units available for occupancy and raising funds for municipal services. The aim is to incentivize owners to rent, sell, or develop units by imposing fees. The generated funds are often designated for affordable housing and/or to address homelessness. A vacancy tax can also be a tax on abandoned or blighted properties.

There are two mechanisms for tax calculation, a percentage of the property's assessed value or an annual flat fee per unit which can increase with the length of vacancy. Both are heavily reliant on a robust rental registry, and the supported system requiring owners to license or register rental properties.

There is potential for revenue and increased housing availability.

## BENEFITS TO THE COMMUNITY:

The benefits to the community can be:

- Rental market database
- Increased availability of housing
- Revenue for housing and/or municipal services
- Reduced speculation in market

## RISKS:

The risks include ongoing administration and implementation hurdles, and legal challenges as noted below. Other risks include the cost of initial and ongoing investment associated with a rental registry and enforcement, resistance from property owners, and unintended increases in rents.

## UTILIZATION OF THIS TOOL IN OREGON OR SIMILAR COMMUNITY:

Two cities in Oregon operate rental registries, Eugene and Portland. Oregon does not have a community utilizing a Vacancy Tax though there are examples of programs in other cities.

- Berkeley's Empty Homes Tax – Voters approved the Empty Homes Tax (Berkeley Municipal Code Chapter 7.54) in November 2022. It did not go into effect until January 1, 2024. Properties are considered vacant if unoccupied for more than 182 days, whether consecutive or nonconsecutive, in a calendar year. Berkeley recently released 2024 data showing that of 54,000 housing units in the city, just 1.6 percent were vacant and likely subject to the tax. The EHT will collect an estimated \$4 million. Revenues from the tax go into the general fund to support municipal services and affordable housing. Non-profits, and properties with 4 or fewer units occupied by an owner that does not own any additional residential units in Berkeley are exempt from the tax. The Empty Homes Tax will expire on December 31, 2034, unless reauthorized by the voters before then. Berkeley maintains a mandatory Online Rent Registry with required annual registration.
- Oakland's Vacancy Property Tax: Approved by voters in 2018. Oakland charges flat fees ranging from \$3,000 to \$6,000 to owners of vacant residential units, vacant commercial units, and undeveloped vacant lots. A property is considered vacant if it is in use less than fifty (50) days in a calendar year. All the funds are utilized to address homelessness. Oakland's vacancy tax has collected over \$29 million between 2019 and 2023, of which \$7 million was in 2023. Their rental registry, launched in 2023, requires landlords to annually report rent, tenancy and ownership information for units covered by the city's tenant protection laws
- Frederick, Maryland (Population 92,000) Vacant Property Registration (VPR): Frederick imposes escalating property taxes on nonresidential and mixed-use buildings that are unoccupied for three or more years, with rates reaching up to five times the normal rate after 10 years. Owners must register properties within one year of becoming vacant, or within 30 days of receiving a notice. All rental properties, including residential, must be registered every two years and have a license. Maryland has state law authorizing vacancy taxes.
- Vancouver, Canada's Empty Homes Tax (EHT): Launched in 2017 and taking effect the following year, the EHT aimed to reduce vacant properties by imposing a 1% tax, later increased to 3%. In 2017, the city determined 8,000 properties were vacant including the 2500 that were liable for EHT. While Vancouver has seen a 54% reduction in vacant properties from 2017 to 2023, it is not clear whether the increase in housing on the market is reducing rental costs. The tax has generated over \$202 million (CAD 2025) for affordable housing.

#### Suspended or Paused

- San Francisco's Proposition M: Approved in 2022, this tax targeted residential properties vacant for more than 182 days annually. The goal was to raise \$20 million annually for housing initiatives. Legal challenges have stalled its implementation, and it remains in limbo due to a court ruling deeming it unconstitutional and unlawful under California law. Courts found the tax was high enough to be coercive, unconstitutionally infringing on the right to exclude people from private property- essentially, the right to keep a home vacant.

- Honolulu's Empty Homes Tax (EHT): Honolulu attempted to pass a tax on empty homes, but enforcement issues and political resistance have hindered progress. In December 2024, the Honolulu City Council deferred a final vote and no action has been taken since.
- South Lake Tahoe (CA) and Crested Butte (CO) voters rejected a flat fee vacancy tax directed at second homes. (2024)

### Considering

- Boulder, Colorado is considering a vacancy tax on underused residential properties, specifically second homes. It could potentially appear on a 2026 ballot. The tax aims to encourage owners to rent or sell vacant units, to address a housing shortage. City officials estimate that as many as 4,000 of Boulder's approximate 48,000 housing units are vacant. Boulder hopes to raise \$1M-2M. Boulder requires a mandatory rental license for all long-term and short-term residential rental properties.

## KEY TAKEAWAYS:

- Rental registry is key to establishing a Vacancy Tax. It is critical to determine what type and how much vacant housing exists. Licensing is often paired with the registry. Cities need to have a well-designed and up-to-date index to accurately measure vacancy rates.
- Vacancy taxes should include both single and multi-family residences to be equitable.
- Legal challenge - Property owners/developers/real estate professionals in San Francisco sued the city over the city's residential vacancy tax. The design of the tax only applied to the owners of multifamily apartment buildings, meaning single-family homes could be vacant and owners would not pay any tax. Initially, it was proposed to start at \$2,500 per unit increasing based on the size of the unit and the duration of vacancy.

## KEY CONTACT(S):

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## ADDITIONAL RESOURCES:

- [With rental registries, cities try to track housing and hold bad actors accountable • Oregon Capital Chronicle](#)
- [Rental Registry - National League of Cities](#)
- [Vacant Property Tax \(VPT\) | City of Oakland, CA](#)
- [Local Vacancy Taxes: A Tool but Not a Panacea – ITEP](#)
- [SF suspends 'Empty Homes Tax' as it battles in court | Urban Development | sfexaminer.com](#)
- [Empty Homes Tax | Berkeley Rent Board](#)