House Bill 2735

Sponsored by Representatives SCHAUFLER, C EDWARDS; Representatives GARRARD, KRUMMEL (at the request of Manufactured Housing Landlord Tenant Coalition)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Establishes payment obligation for facility landlord closing manufactured dwelling park or portion of park. Eliminates option for 180-day facility closure notice. Requires landlord closing facility or portion of facility to report to Housing and Community Services Department regarding relocation and abandonment of dwelling units. Modifies notice of tax benefit given by landlord that closes manufactured dwelling park or portion of park. Preempts local laws regulating facility closures.

Exempts from taxation amounts received by manufactured dwelling tenants for closure of manufactured dwelling park or portion of park. Allows tax credit to individual who owns and occupies manufactured dwelling as primary residence and ends tenancy as result of manufactured dwelling park or portion of park closing. Makes exemption and credit applicable to tax years beginning on or after January 1, 2008.

Eliminates sunset on tax exemptions for gain realized by manufactured dwelling park landlord from sale of park to certain associations or organizations or housing authority.

Changes notice and negotiation requirements for landlord selling facility.

Revises laws regarding termination of tenancy for cause and for waiver of termination.

1 A BILL FOR AN ACT

Relating to rental residential properties; creating new provisions; amending ORS 90.300, 90.425, 90.630, 90.632, 90.635, 90.675, 90.680, 90.800, 90.815, 90.820, 90.830, 92.840, 105.120, 316.502 and 456.579 and sections 6, 7, 9 and 10, chapter 826, Oregon Laws 2005; and repealing ORS 90.415, 90.760 and 90.810.

Be It Enacted by the People of the State of Oregon:

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FACILITY CLOSURE OR CONVERSION

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SECTION 1. Sections 2 to 4 of this 2007 Act are added to and made a part of ORS 90.505 to 90.840.

SECTION 2. (1) If a facility, or a portion of the facility that includes the space for a manufactured dwelling or floating home, is to be closed and the land or leasehold converted to a use other than as a facility, and the closure is not required by the exercise of eminent domain or by order of state or local agencies, the landlord may terminate a month-to-month or fixed-term rental agreement for a facility space:

- (a) By giving not less than 365 days' notice in writing before the date designated in the notice for termination; and
- (b) If the facility is a manufactured dwelling park, by paying each tenant whose rental agreement is terminated one of the following amounts, adjusted as described in subsection (8) of this section:
 - (A) \$5,000 if the manufactured dwelling is a single-wide dwelling;
- (B) \$7,500 if the manufactured dwelling is a double-wide dwelling; or
 - (C) \$9,000 if the manufactured dwelling is a triple-wide dwelling.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

- (2) Except as provided in subsection (3) of this section, the landlord must pay a tenant the full amount required under subsection (1) of this section regardless of whether the tenant relocates or abandons the manufactured dwelling. The landlord shall pay one-half of the payment amount to the tenant within seven days after receiving the notice described in subsection (3)(a) of this section from the tenant. The landlord shall pay the remaining amount no later than seven days after the tenant ceases to occupy the space.
 - (3) Notwithstanding subsection (1) of this section:

- (a) A landlord is not required to make a payment as provided in subsection (1) of this section to a tenant unless the tenant gives the landlord not less than 30 days' and not more than 60 days' notice of the date the tenant will cease tenancy, whether by relocation or abandonment of the dwelling unit.
- (b) If the dwelling unit is abandoned, the landlord may condition the payment required by subsection (1) of this section upon the tenant, and if applicable the lienholder, waiving any right to receive payment under ORS 90.675. The landlord may retain any amounts otherwise payable to the tenant and lienholder under ORS 90.675 that are waived by the tenant and lienholder.
- (4) If a tenant who receives a notice under this section gives the landlord not less than 30 days' and not more than 60 days' notice of the date the tenant will cease tenancy, the landlord may not charge the tenant any penalty or fee for moving out of the facility prior to the end of the 365-day notice period.
- (5) A landlord may not increase the rent for a facility space after giving a notice of termination under this section to the tenant of the space.
- (6) Subsection (1) of this section does not prevent a landlord from relocating a floating home to another comparable space in the same facility or another facility owned by the same owner in the same city if the landlord desires or is required to make repairs, to remodel or to modify the tenant's original space.
- (7) This section does not limit a landlord's right to terminate a tenancy for nonpayment of rent under ORS 90.394 or for other cause under ORS 90.380 (5)(b), 90.396, 90.398 or 90.632 by complying with ORS 105.105 to 105.168.
- (8) The Housing and Community Services Department shall adopt rules to administer and enforce this section and section 3 of this 2007 Act. The department may annually adopt rules adjusting the payment amounts described in subsection (1) of this section to reflect changes in the Portland-Salem Consumer Price Index for All Urban Consumers for All Items, as reported by the United States Bureau of Labor Statistics.
- SECTION 3. (1) A landlord that gives a tenant a notice of termination under section 2 of this 2007 Act shall send a copy of the notice to the Housing and Community Services Department, and to any holder of a recorded lien on the manufactured dwelling or floating home, by first class mail with certificate of mailing.
- (2) A landlord that terminates rental agreements for manufactured dwelling park spaces under section 2 of this 2007 Act shall, no later than 60 days after the facility or portion of the facility closes, report to the department:
- (a) The number of dwelling unit owners who moved their dwelling units out of the facility; and
- (b) The number of dwelling unit owners who abandoned their dwelling units at the facility.

SECTION 4. Sections 2 and 3 of this 2007 Act preempt the adoption, application or enforcement of any local law regulating the closure or partial closure of a facility.

<u>SECTION 5.</u> Section 4 of this 2007 Act does not apply to any suit or action pending on the effective date of this 2007 Act seeking the application or enforcement of a local law regulating the closure or partial closure of a facility.

SECTION 6. ORS 90.635 is amended to read:

90.635. (1) If a facility is closed or a portion of a facility is closed, resulting in the termination of the rental agreement between the landlord of the facility and a tenant renting space for a manufactured dwelling, whether because of the exercise of eminent domain, by order of the state or local agencies[,] or as provided under [ORS 90.630 (5)] section 2 of this 2007 Act, the landlord shall provide notice to the tenant of the tax credit provided under [ORS 316.153] section 15 of this 2007 Act. The notice shall state the eligibility requirements for the credit, information on how to apply for the credit and any other information required by the Office of Manufactured Dwelling Park Community Relations by rule. The notice shall also state that the closure may allow the tax-payer to appeal the property tax assessment on the manufactured dwelling. The Department of Revenue, in consultation with the office, shall adopt rules establishing a sample form for the notice and other information described in this subsection.

- (2) The landlord shall send the notice described under subsection (1) of this section to a tenant affected by a facility closure on or before:
- (a) The date notice of rental termination [must be] is given to the tenant under [ORS 90.630 (5)] section 2 of this 2007 Act, if applicable; or
- (b) In the event of facility closure by exercise of eminent domain or by order of a state or local agency, within 15 days of the date the landlord received notice of the closure.
- (3) The landlord shall forward to the office a list of the names and addresses of tenants to whom notice under this section has been sent.
- [(4) The office may adopt rules to implement this section, including rules specifying the form and content of the notice described under this section.]

SECTION 7. ORS 92.840 is amended to read:

- 92.840. (1) Notwithstanding the provisions of ORS 92.016 (1), prior to the approval of a tentative plan, the declarant may negotiate to sell a lot in a manufactured dwelling park or a mobile home park for which approval is required under ORS 92.830 to 92.845.
- (2) Prior to the sale of a lot in a park, the declarant shall offer to sell the lot to the tenant who occupies the lot. The offer required under this subsection:
- (a) Terminates 60 days after receipt of the offer by the tenant or upon written rejection of the offer, whichever occurs first; and
 - (b) Does not constitute a notice of termination of the tenancy.
- (3) The declarant may not sell the lot to a person other than the tenant for 60 days after termination of the offer required under subsection (2) of this section at a price or on terms that are more favorable to the purchaser than the price or terms that were offered to the tenant.
- (4) After the park has been submitted for subdivision under ORS 92.830 to 92.845 and until a lot is offered for sale in accordance with subsection (2) of this section, the declarant shall notify a prospective tenant, in writing, prior to the commencement of the tenancy, that the park has been submitted for subdivision and that the tenant is entitled to receive an offer to purchase the lot under subsection (2) of this section.
 - (5) Prior to any sale of a lot in a subdivision created in the park, the declarant must provide

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the tenant or other potential purchaser of the lot with information about the homeowners association formed by the declarant as required by ORS 94.625. The information must, at a minimum, include the association name and type and any rights set forth in the declaration required by ORS 94.580.

- (6) The declarant may not begin improvements or rehabilitation to the lot during the period described in [ORS 90.630 (5)] the landlord's notice of termination under section 2 of this 2007 Act without the permission of the tenant.
- (7) The declarant may begin improvements or rehabilitation to the common property as defined in the declaration during the period described in [ORS 90.630 (5)] the landlord's notice of termination under section 2 of this 2007 Act.
- (8) Nothing in this section prevents the declarant from terminating a tenancy in the park in compliance with ORS 90.630, 90.632 and 90.635. However, the declarant shall make the offer required under subsection (2) of this section to a tenant whose tenancy is terminated after approval of the tentative plan unless the termination is for cause under ORS 90.392, 90.394, 90.396, 90.630 (1) or [(12)] (8) or 90.632.

SECTION 8. ORS 456.579 is amended to read:

456.579. (1) There is established in the General Fund an account to be known as the Mobile Home Parks Purchase Account. Except as otherwise provided by law, all moneys appropriated or credited to the Mobile Home Parks Purchase Account are appropriated continuously for and shall be used by the Director of the Housing and Community Services Department for the purpose of carrying out the duties and responsibilities imposed upon the Housing and Community Services Department under ORS 90.100, [90.630, 90.760,] section 2 of this 2007 Act, 90.800 to 90.840, 308.905, 446.003 and 456.581 and this section. Interest earned on the account shall be credited to the account.

- (2) Except for loans provided in ORS 90.840, the account described in subsection (1) of this section shall not be connected to or commingled in any way with the funds described in ORS 456.720.
- (3) For the purpose of carrying out the provisions of ORS 90.100, [90.630, 90.760,] section 2 of this 2007 Act, 90.800 to 90.840, 308.905, 446.003 and 456.581 and this section, the Housing and Community Services Department may seek funds from sources other than that described in ORS 308.905 (1). Such funds shall be credited to the Mobile Home Parks Purchase Account.

TENANT TAX EXEMPTIONS AND CREDITS

SECTION 9. Section 10 of this 2007 Act is added to and made a part of ORS chapter 316.

SECTION 10. Amounts received by a taxpayer as payments under section 2 of this 2007

Act are exempt from the taxes imposed by this chapter.

SECTION 11. Section 12 of this 2007 Act is added to and made a part of ORS chapter 317.

SECTION 12. Amounts received by a taxpayer as payments under section 2 of this 2007

Act are exempt from the taxes imposed by this chapter.

SECTION 13. Sections 10 and 12 of this 2007 Act apply to tax years beginning on or after January 1, 2008.

SECTION 14. Section 15 of this 2007 Act is added to and made a part of ORS chapter 316. SECTION 15. (1) As used in this section:

- (a) "Household" has the meaning given that term in ORS 310.630.
- (b) "Manufactured dwelling" has the meaning given that term in ORS 446.003.

- (c) "Manufactured dwelling park" means a place within this state where four or more manufactured dwellings are located, the primary purpose of which is to rent space or keep space for rent to a person for a charge or fee.
- (d) "Rental agreement" means a contract under which an individual rents space in a manufactured dwelling park for siting a manufactured dwelling.
- (2) A credit of \$10,000 against the taxes otherwise due under this chapter is allowed to an individual who:
- (a) Rents space in a manufactured dwelling park for a manufactured dwelling that is owned and occupied by the individual as a primary residence on the date that the landlord delivers notice that the park, or a portion of the park, is being closed and the rental agreement for the space is being terminated because of the exercise of eminent domain, by order of the state or local agencies or as provided under section 2 of this 2007 Act; and
- (b) Ends tenancy at the manufactured dwelling park in response to the delivered notice described in paragraph (a) of this subsection. For purposes of this paragraph, tenancy by the individual at the manufactured dwelling park ends on the last day that a member of the individual's household occupies the manufactured dwelling at the manufactured dwelling park.
- (3) An individual may not claim more than one credit under this section for tenancies ended during the tax year.
- (4) If, for the year in which the individual ends the tenancy at the manufactured dwelling park, the amount of the credit allowed by this section, when added to the sum of the amounts allowable as payment of tax under ORS 316.187 and 316.583, other tax prepayment amounts and other refundable credit amounts, exceeds the taxes imposed by this chapter or ORS chapter 314 for the tax year, reduced by any nonrefundable credits allowable for purposes of this chapter for the tax year, the amount of the excess shall be refunded to the individual as provided in ORS 316.502.
- (5) If the taxpayer is married at the close of the tax year, the credit shall be allowed to only one taxpayer if the spouses file separate returns for the tax year. Marital status shall be determined as provided under section 21(e)(3) and (4) of the Internal Revenue Code.
- SECTION 16. Section 15 of this 2007 Act applies to individuals whose household ends tenancy at a manufactured dwelling park during a tax year that begins on or after January 1, 2008.
- **SECTION 17.** ORS 316.502, as amended by section 4a, chapter 826, Oregon Laws 2005, is amended to read:
- 316.502. (1) The net revenue from the tax imposed by this chapter, after deducting refunds, shall be paid over to the State Treasurer and held in the General Fund as miscellaneous receipts available generally to meet any expense or obligation of the State of Oregon lawfully incurred.
- (2) A working balance of unreceipted revenue from the tax imposed by this chapter may be retained for the payment of refunds, but such working balance shall not at the close of any fiscal year exceed the sum of \$1 million.
 - (3) Moneys are continuously appropriated to the Department of Revenue to make:
 - (a) The refunds authorized under subsection (2) of this section; and
- (b) The refund payments in excess of tax liability authorized under ORS 315.262 and 315.266 and section 15 of this 2007 Act.
- **SECTION 18.** ORS 316.502, as amended by section 4a, chapter 826, Oregon Laws 2005, and section 60, chapter 832, Oregon Laws 2005, is amended to read:

- 316.502. (1) The net revenue from the tax imposed by this chapter, after deducting refunds, shall be paid over to the State Treasurer and held in the General Fund as miscellaneous receipts available generally to meet any expense or obligation of the State of Oregon lawfully incurred.
- (2) A working balance of unreceipted revenue from the tax imposed by this chapter may be retained for the payment of refunds, but such working balance shall not at the close of any fiscal year exceed the sum of \$1 million.
 - (3) Moneys are continuously appropriated to the Department of Revenue to make:
 - (a) The refunds authorized under subsection (2) of this section; and
- (b) The refund payments in excess of tax liability authorized under ORS 315.262 and section 15 of this 2007 Act.

FACILITY LANDLORD TAX EXEMPTIONS

 SECTION 19. Section 6, chapter 826, Oregon Laws 2005, is amended to read:

Sec. 6. Amounts received as a result of the sale of a manufactured dwelling park to a tenants' association, facility purchase association or tenants' association supported nonprofit organization as described in [ORS 90.820] **section 24 of this 2007 Act**, to a community development corporation as described in ORS 458.210 or to a housing authority as defined in ORS 456.005 are exempt from the tax imposed by this chapter.

SECTION 20. Section 7, chapter 826, Oregon Laws 2005, is amended to read:

Sec. 7. Section 6 [of this 2005 Act], chapter 826, Oregon Laws 2005, applies to tax years beginning on or after January 1, 2006[, and before January 1, 2008].

SECTION 21. Section 9, chapter 826, Oregon Laws 2005, is amended to read:

Sec. 9. Amounts received as a result of the sale of a manufactured dwelling park to a tenants' association, facility purchase association or tenants' association supported nonprofit organization as described in [ORS 90.820] **section 24 of this 2007 Act**, to a community development corporation as described in ORS 458.210 or to a housing authority as defined in ORS 456.005 are exempt from the tax imposed by this chapter.

SECTION 22. Section 10, chapter 826, Oregon Laws 2005, is amended to read:

Sec. 10. Section 9 [of this 2005 Act], chapter 826, Oregon Laws 2005, applies to tax years beginning on or after January 1, 2006[, and before January 1, 2008].

LANDLORD NOTICE OF INTENT TO SELL

SECTION 23. Section 24 of this 2007 Act is added to and made a part of ORS 90.800 to 90.840.

SECTION 24. (1) The landlord of a facility may not make a final, unconditional acceptance of an offer to purchase the facility unless the landlord has given at least 60 days' notice to the persons described in subsection (3) of this section that the landlord is considering selling the facility.

- (2) The notice shall include:
- (a) A copy of any acceptable written offer received by the landlord for the purchase of the facility, including a description of the property and the price, terms and conditions of the offer; and
 - (b) The price, terms and conditions for which the landlord intends to sell the facility.

- (3) The landlord shall give the notice to:
 - (a) Each tenant of the facility;

- (b) Any tenants' association or facility purchase association having one or more members who reside as tenants in the facility, if the association has provided the landlord with contact information; and
 - (c) The Housing and Community Services Department.
- (4) During the 60 days following the giving of the notice, the landlord shall consider any offer to purchase the facility made by a tenant, group of tenants, tenants' association, facility purchase association or tenants' association supported nonprofit organization. The landlord shall negotiate in good faith concerning any offer described in this subsection. Unless the parties agree otherwise in writing, the terms of an offer described in this subsection that is accepted by the landlord must be reduced to writing by the parties no later than 60 days following the giving of the notice by the landlord.
- (5) A landlord may send a notice under this section to a tenant as provided under ORS 90.150. The landlord shall send notice to a tenants' association, facility purchase association, tenants' association supported nonprofit organization and the department by first class mail, return receipt requested. A mailed notice is considered to have been given three days after mailing.

SECTION 25. ORS 90.760 and 90.810 are repealed.

SECTION 26. ORS 90.800 is amended to read:

- 90.800. (1) The State of Oregon encourages affordable housing options for all Oregonians. One housing alternative chosen by many Oregonians is facility living. The Legislative Assembly finds that many facility residents would like to join together to purchase the facility in which they live in order to have greater control over the costs and environment of their housing. The Legislative Assembly also finds that current market conditions place residents at a disadvantage with other potential investors in the purchase of facilities.
- (2) It is the policy of the State of Oregon to encourage facility residents to participate in the housing marketplace by insuring that technical assistance, financing opportunities, notice of sale of facilities and the option to purchase facilities are made available to residents who choose to participate in the purchase of a facility.
- (3) The purpose of ORS [90.100, 90.630, 90.760,] 90.800 to 90.840, 308.905, [446.003,] 456.579 and 456.581 is to strengthen the private housing market in Oregon by encouraging all Oregonians to have the ability to participate in the purchase of housing of their choice.

SECTION 27. ORS 90.815 is amended to read:

90.815. A facility purchase association shall comply with the provisions of ORS chapters 60, 62 and 65 before making [the offer provided for under ORS 90.820] an offer under section 24 of this 2007 Act.

SECTION 28. ORS 90.820 is amended to read:

- 90.820. [(1) Within 14 days of delivery by or on behalf of the facility owner of the notice required by ORS 90.760 (2) or 90.810, a tenants' association or facility purchase association may notify the owner of the facility in which the tenants reside by certified mail or personal service at the address disclosed to the tenants under ORS 90.305 (1)(a) that the association, or a tenants' association supported nonprofit organization, is interested in purchasing the facility.]
- [(2) Upon delivery of the notice required by subsection (1) of this section, the owner shall negotiate in good faith with the association or organization and provide the association or organization an op-

- 1 portunity to purchase the facility as the owner would any bona fide third party potential purchaser.]
 - [(3) A facility purchase association or tenants' association actively involved in negotiations with a facility owner may waive or reduce the time periods for notice described in this section. A facility purchase association or tenants' association may authorize a tenants' association supported nonprofit organization to waive notice on behalf of the association.]
 - [(4) This section, ORS 90.760 (2) and 90.810 do] Section 24 of this 2007 Act does not apply to:
 - [(a)] (1) Any sale or transfer to a person who would be included within the table of descent and distribution if the facility owner were to die intestate.
 - [(b)] (2) Any transfer by gift, devise or operation of law.

- [(c)] (3) Any transfer by a corporation to an affiliate. As used in this [paragraph] subsection, "affiliate" means any shareholder of the transferring corporation, any corporation or entity owned or controlled, directly or indirectly, by the transferring corporation or any other corporation or entity owned or controlled, directly or indirectly, by any shareholder of the transferring corporation.
 - [(d)] (4) Any transfer by a partnership to any of its partners.
 - [(e)] (5) Any conveyance of an interest in a facility incidental to the financing of the facility.
- [(f)] (6) Any conveyance resulting from the foreclosure of a mortgage, deed of trust or other instrument encumbering a facility or any deed given in lieu of a foreclosure.
- [(g)] (7) Any sale or transfer between or among joint tenants or tenants in common owning a facility.
- [(h)] (8) Any exchange of a facility for other real property, whether or not the exchange also involves the payment of cash or other boot.
- [(i)] (9) The purchase of a facility by a governmental entity under that entity's powers of eminent domain.

SECTION 29. ORS 90.830 is amended to read:

- 90.830. (1) A facility owner may at any time record, in the County Clerk Lien Record of the county where a facility is situated, an affidavit in which the facility owner certifies that:
- (a) With reference to an offer by the owner for the sale of the facility, the owner has complied with the provisions of [ORS 90.820] section 24 of this 2007 Act;
- (b) With reference to an offer received by the owner for the purchase of the facility, or with reference to a counteroffer that the owner intends to make, or has made, for the sale of the facility, the owner has complied with the provisions of ORS [90.820] section 24 of this 2007 Act;
- (c) Notwithstanding compliance with the provisions of [ORS 90.820] section 24 of this 2007 Act, no contract for the sale of the facility has been executed between the owner and a facility purchase association, tenants' association or tenants' association supported nonprofit organization;
- (d) The provisions of [ORS 90.820] section 24 of this 2007 Act are inapplicable to a particular sale or transfer of the facility by the owner, and compliance with those subsections is not required; or
- (e) A particular sale or transfer of the facility is exempted from the provisions of this section and [ORS 90.820] section 24 of this 2007 Act.
- (2) Any party acquiring an interest in a facility, and any and all title insurance companies and attorneys preparing, furnishing or examining any evidence of title, have the absolute right to rely on the truth and accuracy of all statements appearing in the affidavit and are under no obligation to inquire further as to any matter or fact relating to the facility owner's compliance with the provisions of [ORS 90.820] section 24 of this 2007 Act.
 - (3) It is the purpose and intention of this section to preserve the marketability of title to facil-

ities, and, accordingly, the provisions of this section shall be liberally construed in order that all persons may rely on the record title to facilities.

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TERMINATION OF TENANCY

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SECTION 30. Sections 31 to 33 of this 2007 Act are added to and made a part of ORS 90.100 to 90.459.

8 <u>SECTION 31.</u> (1) As used in this section, "rent" does not include funds paid under the 9 United States Housing Act of 1937 (42 U.S.C. 1437f).

- (2) Except as otherwise provided in this section, a landlord waives the right to terminate a rental agreement for a particular violation of the rental agreement or of law if the landlord:
- (a) During three or more separate rental periods, accepts rent with knowledge of the violation by the tenant; or
 - (b) Accepts performance by a tenant that varies from the terms of the rental agreement.
 - (3) A landlord has not accepted rent for purposes of subsection (2) of this section if:
 - (a) Within 10 days after receipt of the rent payment, the landlord refunds the rent; or
 - (b) The rent payment is made in the form of a check that is dishonored.
- (4) The acceptance of rent under any of the following circumstances does not waive the right of the landlord to terminate a rental agreement for a violation:
 - (a) The landlord and tenant agree otherwise after the violation has occurred.
- (b) The violation concerns the tenant's conduct and, following the violation but prior to acceptance of rent for three rental periods or performance as described in subsection (2) of this section, the landlord gives a written warning notice to the tenant regarding the violation that:
- (A) Describes specifically the conduct that constitutes the violation, either as a separate and distinct violation, a series or group of violations or a continuous or ongoing violation;
- (B) States that the tenant is required to discontinue the conduct or correct the violation; and
- (C) States that a reoccurrence of the conduct that constitutes a violation may result in a termination of the tenancy pursuant to ORS 90.392, 90.398, 90.405 or 90.630.
- (c) The tenancy consists of rented space for a manufactured dwelling or floating home as described in ORS 90.505, and the violation concerns:
- (A) Disrepair or deterioration of the manufactured dwelling or floating home pursuant to ORS 90.632; or
 - (B) A failure to maintain the rented space, as provided by ORS 90.740 (2), (4)(b) and (4)(h).
 - (d) The termination is under ORS 90.630.
 - (e) The landlord accepts:
- (A) A last month's rent deposit collected at the beginning of the tenancy, regardless of whether the deposit covers a period beyond a termination date;
- (B) Rent distributed pursuant to a court order releasing money paid into court as provided by ORS 90.370 (1); or
- (C) Rent paid for a rent obligation not yet due and paid more than one rental period in advance.
 - (5) For a continuous or ongoing violation, the landlord's written warning notice under

subsection (4)(b) of this section remains effective for 12 months and may be renewed with a new warning notice before the end of the 12 months.

- (6) A landlord that must refund rent under this section shall make the refund to the tenant or other payer by personal delivery or first class mail. The refund may be in the form of the tenant's or other payer's check or in any other form of check or money.
- SECTION 32. (1) If a notice of termination has been given by the landlord or the tenant, the following do not waive the right of the landlord to terminate on the notice and do not reinstate the tenancy:
- (a) Except when the notice is for nonpayment of rent under ORS 90.394, the acceptance of rent if:
 - (A) The rent is prorated to the termination date specified in the notice; or
- (B) The landlord refunds at least the unused balance of the rent prorated for the period beyond the termination date within 10 days after receiving the rent payment.
- (b) Except if the termination is for cause under ORS 90.392, 90.398, 90.405, 90.630 or 90.632, the acceptance of rent for a rental period that extends beyond the termination date in the notice, if the landlord refunds at least the rent for the period beyond the termination date within 10 days after the end of the remedy or correction period described in the applicable notice.
- (c) If the termination is for cause under ORS 90.392, 90.398, 90.405, 90.630 or 90.632 and proceedings have commenced under ORS 105.105 to 105.168 to recover possession of the premises based on the termination:
- (A) The acceptance of rent for a period beyond the expiration of the notice during which the tenant remains in possession if:
- (i) The landlord notifies the tenant in writing in, or after the service of, the notice of termination for cause that the acceptance of rent while an action for possession is pending will not waive the right to terminate under the notice; and
- (ii) The rent does not cover a period that extends beyond the date the rent payment is accepted.
 - (B) Service of a notice of nonpayment of rent under ORS 90.394.
- (2) The following do not waive the right of the landlord to terminate on a notice of termination given by the landlord or the tenant and do not reinstate a tenancy:
- (a) The acceptance of a last month's rent deposit collected at the beginning of the tenancy, whether or not the deposit covers a period beyond a termination date.
- (b) The acceptance of rent distributed under a court order releasing money that was paid into the court as provided under ORS 90.370 (1).
- (c) The acceptance of rent paid for a rent obligation not yet due and paid more than one rental period in advance.
- (3) When a landlord must refund rent under this section, the refund shall be made to the tenant or other payer by personal delivery or first class mail and may be in the form of the tenant's or other payer's check or in any other form of check or money.
- SECTION 33. (1) A tenant's duty regarding rent payments is to tender to the landlord a timely offer of the full amount of rent owed. A landlord may refuse to accept a rent tender that is for less than the full amount of rent owed or that is untimely.
- (2) A landlord may accept a partial payment of rent. The acceptance of a partial payment of rent in a manner consistent with subsection (3) of this section does not constitute a

waiver under section 31 (2)(b) of this 2007 Act of the landlord's right to terminate the tenancy under ORS 90.394 for nonpayment of the balance of the rent owed.

- (3) A landlord and tenant may by written agreement provide that monthly rent shall be paid in regular installments of less than a month pursuant to a schedule specified in the agreement. Installment rent payments described in this subsection are not partial rent for purposes of this section.
- (4) The acceptance of partial rent waives the right of the landlord to terminate the tenant's rental agreement under ORS 90.394 for nonpayment of rent unless:
- (a)(A) The landlord accepted the partial rent before the landlord gave a nonpayment of rent notice under ORS 90.394 based on the tenant's agreement to pay the balance by a time certain and the tenant does not pay the balance of the rent as agreed;
- (B) The landlord's notice of termination is served no earlier than it would have been permitted under ORS 90.394 had no rent been accepted; and
- (C) The notice permits the tenant to avoid termination of the tenancy for nonpayment of rent by paying the balance within 72 hours or 144 hours, as the case may be, or by any date to which the parties agreed, whichever is later; or
- (b) The landlord accepted a partial payment of rent after giving a nonpayment of rent termination notice under ORS 90.394 and entered into a written agreement with the tenant that the acceptance does not constitute waiver. The agreement section may provide that the landlord may terminate the rental agreement and take possession as provided in ORS 105.105 to 105.168 without serving a new notice under ORS 90.394 if the tenant fails to pay the balance of the rent by a time certain.
- (5) Notwithstanding any acceptance of partial payment under subsection (4) of this section, the tenant continues to owe the landlord the unpaid balance of the rent. A landlord may include the unpaid balance in a subsequent month's rent obligation.

SECTION 34. ORS 90.415 is repealed.

SECTION 35. ORS 90.425 is amended to read:

90.425. (1) As used in this section:

- (a) "Current market value" means the amount in cash, as determined by the county assessor, that could reasonably be expected to be paid for a manufactured dwelling or floating home by an informed buyer to an informed seller, each acting without compulsion in an arm's-length transaction occurring on the assessment date for the tax year or on the date of a subsequent reappraisal by the county assessor.
- (b) "Dispose of the personal property" means that, if reasonably appropriate, the landlord may throw away the property or may give it without consideration to a nonprofit organization or to a person unrelated to the landlord. The landlord may not retain the property for personal use or benefit.
- (c) "Goods" includes those goods left inside a recreational vehicle, manufactured dwelling or floating home or left upon the rental space outside a recreational vehicle, manufactured dwelling or floating home, whether the recreational vehicle, dwelling or home is located inside or outside of a facility.
- (d) "Lienholder" means any lienholder of an abandoned recreational vehicle, manufactured dwelling or floating home, if the lien is of record or the lienholder is actually known to the landlord.
 - (e) "Of record" means:
 - (A) For a recreational vehicle that is not a manufactured structure as defined in ORS 446.561,

that a security interest has been properly recorded with the Department of Transportation pursuant to ORS 802.200 (1)(a)(A) and 803.097.

- (B) For a manufactured dwelling or recreational vehicle that is a manufactured structure as defined in ORS 446.561, that a security interest has been properly recorded for the manufactured dwelling or recreational vehicle in the records of the Department of Consumer and Business Services pursuant to ORS 446.611 or on a certificate of title issued by the Department of Transportation prior to May 1, 2005.
- (C) For a floating home, that a security interest has been properly recorded with the State Marine Board pursuant to ORS 830.740 to 830.755 for a home registered and titled with the board pursuant to ORS 830.715.
- (f) "Owner" means any owner of an abandoned recreational vehicle, manufactured dwelling or floating home, if different from the tenant and either of record or actually known to the landlord.
- (g) "Personal property" means goods, vehicles and recreational vehicles and includes manufactured dwellings and floating homes not located in a facility. "Personal property" does not include manufactured dwellings and floating homes located in a facility and therefore subject to being stored, sold or disposed of as provided under ORS 90.675.
- (2) A landlord may not store, sell or dispose of abandoned personal property except as provided by this section. This section governs the rights and obligations of landlords, tenants and any lienholders or owners in any personal property abandoned or left upon the premises by the tenant or any lienholder or owner in the following circumstances:
- (a) The tenancy has ended by termination or expiration of a rental agreement or by relinquishment or abandonment of the premises and the landlord reasonably believes under all the circumstances that the tenant has left the personal property upon the premises with no intention of asserting any further claim to the premises or to the personal property;
- (b) The tenant has been absent from the premises continuously for seven days after termination of a tenancy by a court order that has not been executed; or
- (c) The landlord receives possession of the premises from the sheriff following restitution pursuant to ORS 105.161.
- (3) Prior to selling or disposing of the tenant's personal property under this section, the landlord must give a written notice to the tenant that must be:
 - (a) Personally delivered to the tenant; or
 - (b) Sent by first class mail addressed and mailed to the tenant at:
 - (A) The premises;

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- (B) Any post-office box held by the tenant and actually known to the landlord; and
- (C) The most recent forwarding address if provided by the tenant or actually known to the landlord.
- (4)(a) In addition to the notice required by subsection (3) of this section, in the case of an abandoned recreational vehicle, manufactured dwelling or floating home, a landlord shall also give a copy of the notice described in subsection (3) of this section to:
 - (A) Any lienholder of the recreational vehicle, manufactured dwelling or floating home;
 - (B) Any owner of the recreational vehicle, manufactured dwelling or floating home;
- (C) The tax collector of the county where the manufactured dwelling or floating home is located; 42 and
 - (D) The assessor of the county where the manufactured dwelling or floating home is located.
 - (b) The landlord shall give the notice copy required by this subsection by personal delivery or

- first class mail, except that for any lienholder, mail service must be both by first class mail and by certified mail with return receipt requested.
- (c) A notice to lienholders under paragraph (a)(A) of this subsection must be sent to each lienholder at each address:
 - (A) Actually known to the landlord;
 - (B) Of record; and

- (C) Provided to the landlord by the lienholder in a written notice that identifies the personal property subject to the lien and that was sent to the landlord by certified mail with return receipt requested within the preceding five years. The notice must identify the personal property by describing the physical address of the property.
 - (5) The notice required under subsection (3) of this section must state that:
 - (a) The personal property left upon the premises is considered abandoned;
- (b) The tenant or any lienholder or owner must contact the landlord by a specified date, as provided in subsection (6) of this section, to arrange for the removal of the abandoned personal property;
- (c) The personal property is stored at a place of safekeeping, except that if the property includes a manufactured dwelling or floating home, the dwelling or home must be stored on the rented space;
- (d) The tenant or any lienholder or owner, except as provided by subsection (18) of this section, may arrange for removal of the personal property by contacting the landlord at a described telephone number or address on or before the specified date;
- (e) The landlord shall make the personal property available for removal by the tenant or any lienholder or owner, except as provided by subsection (18) of this section, by appointment at reasonable times;
- (f) If the personal property is considered to be abandoned pursuant to subsection (2)(a) or (b) of this section, the landlord may require payment of removal and storage charges, as provided by subsection (7)(d) of this section, prior to releasing the personal property to the tenant or any lienholder or owner;
- (g) If the personal property is considered to be abandoned pursuant to subsection (2)(c) of this section, the landlord may not require payment of storage charges prior to releasing the personal property;
- (h) If the tenant or any lienholder or owner fails to contact the landlord by the specified date, or after that contact, fails to remove the personal property within 30 days for recreational vehicles, manufactured dwellings and floating homes or 15 days for all other personal property, the landlord may sell or dispose of the personal property. If the landlord reasonably believes that the personal property will be eligible for disposal pursuant to subsection (10)(b) of this section and the landlord intends to dispose of the property if the property is not claimed, the notice shall state that belief and intent; and
- (i) If the personal property includes a recreational vehicle, manufactured dwelling or floating home and if applicable, there is a lienholder or owner that has a right to claim the recreational vehicle, dwelling or home, except as provided by subsection (18) of this section.
- (6) For purposes of subsection (5) of this section, the specified date by which a tenant, lienholder or owner must contact a landlord to arrange for the disposition of abandoned personal property is:
- (a) For abandoned recreational vehicles, manufactured dwellings or floating homes, not less than 45 days after personal delivery or mailing of the notice; or
 - (b) For all other abandoned personal property, not less than five days after personal delivery

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or eight days after mailing of the notice.

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- (7) After notifying the tenant as required by subsection (3) of this section, the landlord:
- (a) Shall store any abandoned manufactured dwelling or floating home on the rented space and shall exercise reasonable care for the dwelling or home;
- (b) Shall store all other abandoned personal property of the tenant, including goods left inside a recreational vehicle, manufactured dwelling or floating home or left upon the rented space outside a recreational vehicle, dwelling or home, in a place of safekeeping and shall exercise reasonable care for the personal property, except that the landlord may:
 - (A) Promptly dispose of rotting food; and
- (B) Allow an animal control agency to remove any abandoned pets or livestock. If an animal control agency will not remove the abandoned pets or livestock, the landlord shall exercise reasonable care for the animals given all the circumstances, including the type and condition of the animals, and may give the animals to an agency that is willing and able to care for the animals, such as a humane society or similar organization;
- (c) Except for manufactured dwellings and floating homes, may store the abandoned personal property at the dwelling unit, move and store it elsewhere on the premises or move and store it at a commercial storage company or other place of safekeeping; and
- (d) Is entitled to reasonable or actual storage charges and costs incidental to storage or disposal, including any cost of removal to a place of storage. In the case of an abandoned manufactured dwelling or floating home, the storage charge may be no greater than the monthly space rent last payable by the tenant.
- (8) If a tenant, lienholder or owner, upon the receipt of the notice provided by subsection (3) or (4) of this section or otherwise, responds by actual notice to the landlord on or before the specified date in the landlord's notice that the tenant, lienholder or owner intends to remove the personal property from the premises or from the place of safekeeping, the landlord must make that personal property available for removal by the tenant, lienholder or owner by appointment at reasonable times during the 15 days or, in the case of a recreational vehicle, manufactured dwelling or floating home, 30 days following the date of the response, subject to subsection (18) of this section. If the personal property is considered to be abandoned pursuant to subsection (2)(a) or (b) of this section, but not pursuant to subsection (2)(c) of this section, the landlord may require payment of removal and storage charges, as provided in subsection (7)(d) of this section, prior to allowing the tenant, lienholder or owner to remove the personal property. Acceptance by a landlord of such payment does not operate to create or reinstate a tenancy or create a waiver pursuant to [ORS 90.415] section 31 or 32 of this 2007 Act.
- (9) Except as provided in subsections (18) to (20) of this section, if the tenant, lienholder or owner of a recreational vehicle, manufactured dwelling or floating home does not respond within the time provided by the landlord's notice, or the tenant, lienholder or owner does not remove the personal property within the time required by subsection (8) of this section or by any date agreed to with the landlord, whichever is later, the tenant's, lienholder's or owner's personal property is conclusively presumed to be abandoned. The tenant and any lienholder or owner that have been given notice pursuant to subsection (3) or (4) of this section shall, except with regard to the distribution of sale proceeds pursuant to subsection (13) of this section, have no further right, title or interest to the personal property and may not claim or sell the property.
- (10) If the personal property is presumed to be abandoned under subsection (9) of this section, the landlord then may:

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- (a) Sell the personal property at a public or private sale, provided that prior to the sale of a recreational vehicle, manufactured dwelling or floating home:
- (A) The landlord may seek to transfer ownership of record of the personal property by complying with the requirements of the appropriate state agency; and
 - (B) The landlord shall:

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- (i) Place a notice in a newspaper of general circulation in the county in which the recreational vehicle, manufactured dwelling or floating home is located. The notice shall state:
 - (I) That the recreational vehicle, manufactured dwelling or floating home is abandoned;
 - (II) The tenant's and owner's name, if of record or actually known to the landlord;
- (III) The address and any space number where the recreational vehicle, manufactured dwelling or floating home is located, and any plate, registration or other identification number for a recreational vehicle or floating home noted on the certificate of title, if actually known to the landlord;
 - (IV) Whether the sale is by private bidding or public auction;
- (V) Whether the landlord is accepting sealed bids and, if so, the last date on which bids will be accepted; and
- (VI) The name and telephone number of the person to contact to inspect the recreational vehicle, manufactured dwelling or floating home;
- (ii) At a reasonable time prior to the sale, give a copy of the notice required by subsubparagraph (i) of this subparagraph to the tenant and to any lienholder and owner, by personal delivery or first class mail, except that for any lienholder, mail service must be by first class mail with certificate of mailing;
- (iii) Obtain an affidavit of publication from the newspaper to show that the notice required under sub-subparagraph (i) of this subparagraph ran in the newspaper at least one day in each of two consecutive weeks prior to the date scheduled for the sale or the last date bids will be accepted; and
- (iv) Obtain written proof from the county that all property taxes and assessments on the manufactured dwelling or floating home have been paid or, if not paid, that the county has authorized the sale, with the sale proceeds to be distributed pursuant to subsection (13) of this section;
 - (b) Destroy or otherwise dispose of the personal property if the landlord determines that:
- (A) For a manufactured dwelling or floating home, the current market value of the property is \$8,000 or less as determined by the county assessor; or
- (B) For all other personal property, the reasonable current fair market value is \$500 or less or so low that the cost of storage and conducting a public sale probably exceeds the amount that would be realized from the sale; or
- (c) Consistent with paragraphs (a) and (b) of this subsection, sell certain items and destroy or otherwise dispose of the remaining personal property.
 - (11)(a) A public or private sale authorized by this section must:
- (A) For a recreational vehicle, manufactured dwelling or floating home, be conducted consistent with the terms listed in subsection (10)(a)(B)(i) of this section. Every aspect of the sale including the method, manner, time, place and terms must be commercially reasonable; or
 - (B) For all other personal property, be conducted under the provisions of ORS 79.0610.
- (b) If there is no buyer at a sale of a manufactured dwelling or floating home, the personal property is considered to be worth \$8,000 or less, regardless of current market value, and the land-lord shall destroy or otherwise dispose of the personal property.
 - (12) Notwithstanding ORS 446.155 (1) and (2), unless a landlord intentionally misrepresents the

- condition of a manufactured dwelling or floating home, the landlord is not liable for the condition of the dwelling or home to:
- (a) A buyer of the dwelling or home at a sale pursuant to subsection (10)(a) of this section, with or without consideration; or
- (b) A person or nonprofit organization to whom the landlord gives the dwelling or home pursuant to subsection (1)(b), (10)(b) or (11)(b) of this section.
 - (13)(a) The landlord may deduct from the proceeds of the sale:
- (A) The reasonable or actual cost of notice, storage and sale; and
 - (B) Unpaid rent.

- (b) If the sale was of a manufactured dwelling or floating home, after deducting the amounts listed in paragraph (a) of this subsection, the landlord shall remit the remaining proceeds, if any, to the county tax collector to the extent of any unpaid property taxes and assessments owed on the dwelling or home.
- (c) If the sale was of a recreational vehicle, manufactured dwelling or floating home, after deducting the amounts listed in paragraphs (a) and (b) of this subsection, if applicable, the landlord shall remit the remaining proceeds, if any, to any lienholder to the extent of any unpaid balance owed on the lien on the recreational vehicle, dwelling or home.
- (d) After deducting the amounts listed in paragraphs (a), (b) and (c) of this subsection, if applicable, the landlord shall remit to the tenant or owner the remaining proceeds, if any, together with an itemized accounting.
- (e) If the tenant or owner cannot after due diligence be found, the landlord shall deposit the remaining proceeds with the county treasurer of the county in which the sale occurred. If not claimed within three years, the deposited proceeds revert to the general fund of the county and are available for general purposes.
- (14) The county tax collector shall cancel all unpaid property taxes and assessments owed on a manufactured dwelling or floating home, as provided under ORS 311.790, only under one of the following circumstances:
- (a) The landlord disposes of the manufactured dwelling or floating home after a determination described in subsection (10)(b) of this section.
- (b) There is no buyer of the manufactured dwelling or floating home at a sale described under subsection (11) of this section.
- (c)(A) There is a buyer of the manufactured dwelling or floating home at a sale described under subsection (11) of this section;
- (B) The current market value of the manufactured dwelling or floating home is \$8,000 or less; and
- (C) The proceeds of the sale are insufficient to satisfy the unpaid property taxes and assessments owed on the dwelling or home after distribution of the proceeds pursuant to subsection (13) of this section.
- (d)(A) The landlord buys the manufactured dwelling or floating home at a sale described under subsection (11) of this section;
 - (B) The current market value of the manufactured dwelling or floating home is more than \$8,000;
- (C) The proceeds of the sale are insufficient to satisfy the unpaid property taxes and assessments owed on the manufactured dwelling or floating home after distribution of the proceeds pursuant to subsection (13) of this section; and
 - (D) The landlord disposes of the manufactured dwelling or floating home.

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- (15) The landlord is not responsible for any loss to the tenant, lienholder or owner resulting from storage of personal property in compliance with this section unless the loss was caused by the landlord's deliberate or negligent act. In the event of a deliberate and malicious violation, the landlord is liable for twice the actual damages sustained by the tenant, lienholder or owner.
- (16) Complete compliance in good faith with this section shall constitute a complete defense in any action brought by a tenant, lienholder or owner against a landlord for loss or damage to such personal property disposed of pursuant to this section.
 - (17) If a landlord does not comply with this section:

- (a) The tenant is relieved of any liability for damage to the premises caused by conduct that was not deliberate, intentional or grossly negligent and for unpaid rent and may recover from the landlord up to twice the actual damages sustained by the tenant;
- (b) A lienholder or owner aggrieved by the noncompliance may recover from the landlord the actual damages sustained by the lienholder or owner. ORS 90.255 does not authorize an award of attorney fees to the prevailing party in any action arising under this paragraph; and
- (c) A county tax collector aggrieved by the noncompliance may recover from the landlord the actual damages sustained by the tax collector, if the noncompliance is part of an effort by the landlord to defraud the tax collector. ORS 90.255 does not authorize an award of attorney fees to the prevailing party in any action arising under this paragraph.
- (18) In the case of an abandoned recreational vehicle, manufactured dwelling or floating home, the provisions of this section regarding the rights and responsibilities of a tenant to the abandoned vehicle, dwelling or home also apply to any lienholder except that the lienholder may not sell or remove the vehicle, dwelling or home unless:
- (a) The lienholder has foreclosed its lien on the recreational vehicle, manufactured dwelling or floating home;
- (b) The tenant or a personal representative or designated person described in subsection (20) of this section has waived all rights under this section pursuant to subsection (25) of this section; or
- (c) The notice and response periods provided by subsections (6) and (8) of this section have expired.
- (19)(a) In the case of an abandoned manufactured dwelling or floating home but not including a dwelling or home abandoned following a termination pursuant to ORS 90.429 and except as provided by subsection (20)(d) and (e) of this section, if a lienholder makes a timely response to a notice of abandoned personal property pursuant to subsections (6) and (8) of this section and so requests, a landlord shall enter into a written storage agreement with the lienholder providing that the dwelling or home may not be sold or disposed of by the landlord for up to 12 months. A storage agreement entitles the lienholder to store the personal property on the previously rented space during the term of the agreement, but does not entitle anyone to occupy the personal property.
- (b) The lienholder's right to a storage agreement arises upon the failure of the tenant, owner or, in the case of a deceased tenant, the personal representative, designated person, heir or devisee to remove or sell the dwelling or home within the allotted time.
- (c) To exercise the right to a storage agreement under this subsection, in addition to contacting the landlord with a timely response as described in paragraph (a) of this subsection, the lienholder must enter into the proposed storage agreement within 60 days after the landlord gives a copy of the agreement to the lienholder. The landlord shall give a copy of the proposed storage agreement to the lienholder in the same manner as provided by subsection (4)(b) of this section. The landlord

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may include a copy of the proposed storage agreement with the notice of abandoned property required by subsection (4) of this section. A lienholder enters into a storage agreement by signing a copy of the agreement provided by the landlord and personally delivering or mailing the signed copy to the landlord within the 60-day period.

- (d) The storage agreement may require, in addition to other provisions agreed to by the landlord and the lienholder, that:
- (A) The lienholder make timely periodic payment of all storage charges, as described in subsection (7)(d) of this section, accruing from the commencement of the 45-day period described in subsection (6) of this section. A storage charge may include a utility or service charge, as described in ORS 90.532, if limited to charges for electricity, water, sewer service and natural gas and if incidental to the storage of personal property. A storage charge may not be due more frequently than monthly;
- (B) The lienholder pay a late charge or fee for failure to pay a storage charge by the date required in the agreement, if the amount of the late charge is no greater than for late charges described in the rental agreement between the landlord and the tenant; and
- (C) The lienholder maintain the personal property and the space on which the personal property is stored in a manner consistent with the rights and obligations described in the rental agreement between the landlord and the tenant.
- (e) During the term of an agreement described under this subsection, the lienholder has the right to remove or sell the property, subject to the provisions of the lien. Selling the property includes a sale to a purchaser who wishes to leave the dwelling or home on the rented space and become a tenant, subject to any conditions previously agreed to by the landlord and tenant regarding the landlord's approval of a purchaser or, if there was no such agreement, any reasonable conditions by the landlord regarding approval of any purchaser who wishes to leave the dwelling or home on the rented space and become a tenant. The landlord also may condition approval for occupancy of any purchaser of the property upon payment of all unpaid storage charges and maintenance costs.
- (f)(A) If the lienholder violates the storage agreement, the landlord may terminate the agreement by giving at least 90 days' written notice to the lienholder stating facts sufficient to notify the lienholder of the reason for the termination. Unless the lienholder corrects the violation within the notice period, the agreement terminates as provided and the landlord may sell or dispose of the dwelling or home without further notice to the lienholder.
- (B) After a landlord gives a termination notice pursuant to subparagraph (A) of this paragraph for failure of the lienholder to pay a storage charge and the lienholder corrects the violation, if the lienholder again violates the storage agreement by failing to pay a subsequent storage charge, the landlord may terminate the agreement by giving at least 30 days' written notice to the lienholder stating facts sufficient to notify the lienholder of the reason for termination. Unless the lienholder corrects the violation within the notice period, the agreement terminates as provided and the landlord may sell or dispose of the property without further notice to the lienholder.
- (C) A lienholder may terminate a storage agreement at any time upon at least 14 days' written notice to the landlord and may remove the property from the rented space if the lienholder has paid all storage charges and other charges as provided in the agreement.
- (g) Upon the failure of a lienholder to enter into a storage agreement as provided by this subsection or upon termination of an agreement, unless the parties otherwise agree or the lienholder has sold or removed the manufactured dwelling or floating home, the landlord may sell or dispose of the property pursuant to this section without further notice to the lienholder.

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- (20) If the personal property consists of an abandoned manufactured dwelling or floating home and is considered abandoned as a result of the death of a tenant who was the only tenant and who owned the dwelling or home, this section applies, except as follows:
- (a) Any personal representative named in a will or appointed by a court to act for the deceased tenant or any person designated in writing by the tenant to be contacted by the landlord in the event of the tenant's death has the same rights and responsibilities regarding the abandoned dwelling or home as a tenant.
 - (b) The notice required by subsection (3) of this section must be:

- (A) Sent by first class mail to the deceased tenant at the premises; and
- (B) Personally delivered or sent by first class mail to any personal representative or designated person if actually known to the landlord.
- (c) The notice described in subsection (5) of this section must refer to any personal representative or designated person, instead of the deceased tenant, and must incorporate the provisions of this subsection.
- (d) If a personal representative, designated person or other person entitled to possession of the property, such as an heir or devisee, responds by actual notice to a landlord within the 45-day period provided by subsection (6) of this section and so requests, the landlord shall enter into a written storage agreement with the representative or person providing that the dwelling or home may not be sold or disposed of by the landlord for up to 90 days or until conclusion of any probate proceedings, whichever is later. A storage agreement entitles the representative or person to store the personal property on the previously rented space during the term of the agreement, but does not entitle anyone to occupy the personal property. If such an agreement is entered, the landlord may not enter a similar agreement with a lienholder pursuant to subsection (19) of this section until the agreement with the personal representative or designated person ends.
- (e) If a personal representative or other person requests that a landlord enter into a storage agreement, subsection (19)(c), (d) and (f)(C) of this section applies, with the representative or person having the rights and responsibilities of a lienholder with regard to the storage agreement.
- (f) During the term of an agreement described under paragraph (d) of this subsection, the representative or person has the right to remove or sell the dwelling or home, including a sale to a purchaser or a transfer to an heir or devisee where the purchaser, heir or devisee wishes to leave the dwelling or home on the rented space and become a tenant, subject to any conditions previously agreed to by the landlord and tenant regarding the landlord's approval for occupancy of a purchaser, heir or devisee or, if there was no such agreement, any reasonable conditions by the landlord regarding approval for occupancy of any purchaser, heir or devisee who wishes to leave the dwelling or home on the rented space and become a tenant. The landlord also may condition approval for occupancy of any purchaser, heir or devisee of the dwelling or home upon payment of all unpaid storage charges and maintenance costs.
- (g) If the representative or person violates the storage agreement, the landlord may terminate the agreement by giving at least 30 days' written notice to the representative or person stating facts sufficient to notify the representative or person of the reason for the termination. Unless the representative or person corrects the violation within the notice period, the agreement terminates as provided and the landlord may sell or dispose of the dwelling or home without further notice to the representative or person.
- (h) Upon the failure of a representative or person to enter into a storage agreement as provided by this subsection or upon termination of an agreement, unless the parties otherwise agree or the

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representative or person has sold or removed the manufactured dwelling or floating home, the landlord may sell or dispose of the property pursuant to this section without further notice to the representative or person.

- (21) If a governmental agency determines that the condition of a manufactured dwelling, floating home or recreational vehicle abandoned under this section constitutes an extreme health or safety hazard under state or local law and the agency determines that the hazard endangers others in the immediate vicinity and requires quick removal of the property, the landlord may sell or dispose of the property pursuant to this subsection. The landlord shall comply with all provisions of this section, except as follows:
- (a) The date provided in subsection (6) of this section by which a tenant, lienholder, owner, personal representative or designated person must contact a landlord to arrange for the disposition of the property must be not less than 15 days after personal delivery or mailing of the notice required by subsection (3) of this section.
- (b) The date provided in subsections (8) and (9) of this section by which a tenant, lienholder, owner, personal representative or designated person must remove the property must be not less than seven days after the tenant, lienholder, owner, personal representative or designated person contacts the landlord.
- (c) The notice required by subsection (3) of this section must be as provided in subsection (5) of this section, except that:
- (A) The dates and deadlines in the notice for contacting the landlord and removing the property must be consistent with this subsection;
- (B) The notice must state that a governmental agency has determined that the property constitutes an extreme health or safety hazard and must be removed quickly; and
 - (C) The landlord shall attach a copy of the agency's determination to the notice.
- (d) If the tenant, a lienholder, owner, personal representative or designated person does not remove the property within the time allowed, the landlord or a buyer at a sale by the landlord under subsection (11) of this section shall promptly remove the property from the facility.
- (e) A landlord is not required to enter into a storage agreement with a lienholder, owner, personal representative or designated person pursuant to subsection (19) of this section.
- (22)(a) If an official or agency referred to in ORS 453.876 notifies the landlord that the official or agency has determined that all or part of the premises is unfit for use as a result of the presence of an illegal drug manufacturing site involving methamphetamine, and the landlord complies with this subsection, the landlord is not required to comply with subsections (1) to (21) and (23) to (26) of this section with regard to personal property left on the portion of the premises that the official or agency has determined to be unfit for use.
- (b) Upon receiving notice from an official or agency determining the premises to be unfit for use, the landlord shall promptly give written notice to the tenant as provided in subsection (3) of this section. The landlord shall also attach a copy of the notice in a secure manner to the main entrance of the dwelling unit. The notice to the tenant shall include a copy of the official's or agency's notice and state:
- (A) That the premises, or a portion of the premises, has been determined by an official or agency to be unfit for use due to contamination from the manufacture of methamphetamine and that as a result subsections (1) to (21) and (23) to (26) of this section do not apply to personal property left on any portion of the premises determined to be unfit for use;
 - (B) That the landlord has hired, or will hire, a contractor to assess the level of contamination

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of the site and to decontaminate the site;

- (C) That upon hiring the contractor, the landlord will provide to the tenant the name, address and telephone number of the contractor; and
- (D) That the tenant may contact the contractor to determine whether any of the tenant's personal property may be removed from the premises or may be decontaminated at the tenant's expense and then removed.
- (c) To the extent consistent with rules of the Department of Human Services, the contractor may release personal property to the tenant.
- (d) If the contractor and the department determine that the premises or the tenant's personal property is not unfit for use, upon notification by the department of the determination, the landlord shall comply with subsections (1) to (21) and (23) to (26) of this section for any personal property left on the premises.
- (e) Except as provided in paragraph (d) of this subsection, the landlord is not responsible for storing or returning any personal property left on the portion of the premises that is unfit for use.
- (23) In the case of an abandoned recreational vehicle, manufactured dwelling or floating home that is owned by someone other than the tenant, the provisions of this section regarding the rights and responsibilities of a tenant to the abandoned vehicle, dwelling or home also apply to that owner, with regard only to the vehicle, dwelling or home, and not to any goods left inside or outside the vehicle, dwelling or home.
- (24) In the case of an abandoned motor vehicle, the procedure authorized by ORS 98.830 and 98.835 for removal of abandoned motor vehicles from private property may be used by a landlord as an alternative to the procedures required in this section.
- (25)(a) A landlord may sell or dispose of a tenant's abandoned personal property without complying with subsections (1) to (24) and (26) of this section if, after termination of the tenancy or no more than seven days prior to the termination of the tenancy, the following parties so agree in a writing entered into in good faith:
 - (A) The landlord;
- (B) The tenant, or for an abandonment as the result of the death of a tenant who was the only tenant, the personal representative, designated person or other person entitled to possession of the personal property, such as an heir or devisee, as described in subsection (20) of this section; and
- (C) In the case of a manufactured dwelling, floating home or recreational vehicle, any owner and any lienholder.
- (b) A landlord may not, as part of a rental agreement, require a tenant, a personal representative, a designated person or any lienholder or owner to waive any right provided by this section.
- (26) Until personal property is conclusively presumed to be abandoned under subsection (9) of this section, a landlord does not have a lien pursuant to ORS 87.152 for storing the personal property.

SECTION 36. ORS 90.630 is amended to read:

- 90.630. (1) Except as provided in subsection (4) of this section, the landlord may terminate a rental agreement that is a month-to-month or fixed term tenancy for space for a manufactured dwelling or floating home by giving to the tenant not less than 30 days' notice in writing before the date designated in the notice for termination if the tenant:
- (a) Violates a law or ordinance related to the tenant's conduct as a tenant, including but not limited to a material noncompliance with ORS 90.740;
 - (b) Violates a rule or rental agreement provision related to the tenant's conduct as a tenant and

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1 imposed as a condition of occupancy, including but not limited to a material noncompliance with a 2 rental agreement regarding a program of recovery in drug and alcohol free housing; [or]

(c) Is determined to be a predatory sex offender under ORS 181.586; or

4 [(c)] (d) Fails to pay a:

- (A) Late charge pursuant to ORS 90.260;
- (B) Fee pursuant to ORS 90.302; or
 - (C) Utility or service charge pursuant to ORS 90.534 or 90.536.
- (2) A violation making a tenant subject to termination under subsection (1) of this section includes a tenant's failure to maintain the space as required by law, ordinance, rental agreement or rule, but does not include the physical condition of the dwelling or home. Termination of a rental agreement based upon the physical condition of a dwelling or home shall only be as provided in ORS 90.632.
- (3) The notice required by subsection (1) of this section shall state facts sufficient to notify the tenant of the reasons for termination of the tenancy and state that the tenant may avoid termination by correcting the violation as provided in subsection (4) of this section.
- (4) The tenant may avoid termination of the tenancy by correcting the violation within the 30-day period specified in subsection (1) of this section. However, if substantially the same act or omission that constituted a prior violation of which notice was given recurs within six months after the date of the notice, the landlord may terminate the tenancy upon at least 20 days' written notice specifying the violation and the date of termination of the tenancy.
- (5) Notwithstanding subsection (3) or (4) of this section, a tenant who is given a notice of termination under subsection (1)(c) of this section does not have a right to correct the violation. A notice given to a tenant under subsection (1)(c) of this section must state that the tenant does not have a right to avoid the termination.
- [(5) The landlord of a facility may terminate a rental agreement that is a month-to-month or fixed term tenancy for a facility space if the facility or a portion of it that includes the space is to be closed and the land or leasehold converted to a different use, which is not required by the exercise of eminent domain or by order of state or local agencies, by:]
- [(a) Not less than 365 days' notice in writing before the date designated in the notice for termination; or]
- [(b) Not less than 180 days' notice in writing before the date designated in the notice for termination, if the landlord finds space acceptable to the tenant to which the tenant can move the manufactured dwelling or floating home and the landlord pays the cost of moving and set-up expenses or \$3,500, whichever is less.]
 - [(6) The landlord may:]
- [(a) Provide greater financial incentive to encourage the tenant to accept an earlier termination date than that provided in subsection (5) of this section; or]
 - [(b) Contract with the tenant for a mutually acceptable arrangement to assist the tenant's move.]
- [(7) The Housing and Community Services Department shall adopt rules to implement the provisions of subsection (5) of this section.]
- [(8)(a) A landlord may not increase the rent for the purpose of offsetting the payments required under this section.]
 - [(b) There shall be no increase in the rent after a notice of termination is given pursuant to this section.]
 - [(9)] (6) This section does not limit a landlord's right to terminate a tenancy for nonpayment of

rent under ORS 90.394 or for other cause under ORS 90.380 (5)(b), 90.396, 90.398 or 90.632 by complying with ORS 105.105 to 105.168.

[(10)] (7) A tenancy terminates on the date designated in the notice and without regard to the expiration of the period for which, by the terms of the rental agreement, rents are to be paid. Unless otherwise agreed, rent is uniformly apportionable from day to day.

[(11) Nothing in subsection (5) of this section shall prevent a landlord from relocating a floating home to another comparable space in the same facility or another facility owned by the same owner in the same city if the landlord desires or is required to make repairs, to remodel or to modify the tenant's original space.]

[(12)(a)] (8) Notwithstanding any other provision of this section or ORS [90.392,] 90.394, 90.396 or 90.398, the landlord may terminate the rental agreement for space for a manufactured dwelling or floating home because of repeated late payment of rent by giving the tenant not less than 30 days' notice in writing before the date designated in that notice for termination and may take possession as provided in ORS 105.105 to 105.168 if:

[(A)] (a) The tenant has not paid the monthly rent prior to the eighth day of the rental period as described in ORS 90.394 (2)(a) or the fifth day of the rental period as described in ORS 90.394 (2)(b) in at least three of the preceding 12 months and the landlord has given the tenant a notice for nonpayment of rent pursuant to ORS 90.394 (2) during each of those three instances of nonpayment;

[(B)] (b) The landlord warns the tenant of the risk of a 30-day notice for termination with no right to correct the cause, upon the occurrence of a third notice for nonpayment of rent within a 12-month period. The warning must be contained in at least two notices for nonpayment of rent that precede the third notice within a 12-month period or in separate written notices that are given concurrent with, or a reasonable time after, each of the two notices for nonpayment of rent; and

[(C)] (c) The 30-day notice of termination states facts sufficient to notify the tenant of the cause for termination of the tenancy and is given to the tenant concurrent with or after the third or a subsequent notice for nonpayment of rent.

[(b)] (9) Notwithstanding subsection [(2)] (4) of this section, a tenant who receives a 30-day notice of termination pursuant to [this] subsection (8) of this section does not have a right to correct the cause for the notice.

[(c)] (10) The landlord may give a copy of the notice required by [paragraph (a) of this] subsection (8) of this section to any lienholder of the manufactured dwelling or floating home by first class mail with certificate of mailing or by any other method allowed by ORS 90.150 (2) and (3). A landlord is not liable to a tenant for any damages incurred by the tenant as a result of the landlord giving a copy of the notice in good faith to a lienholder. A lienholder's rights and obligations regarding an abandoned manufactured dwelling or floating home shall be as provided under ORS 90.675.

SECTION 37. ORS 90.632 is amended to read:

90.632. (1) A landlord may terminate a month-to-month or fixed term rental agreement and require the tenant to remove a manufactured dwelling or floating home from a facility, due to the physical condition of the manufactured dwelling or floating home, only by complying with this section and ORS 105.105 to 105.168. A termination shall include removal of the dwelling or home.

(2) A landlord may not require removal of a manufactured dwelling or floating home, or consider a dwelling or home to be in disrepair or deteriorated, because of the age, size, style or original construction material of the dwelling or home or because the dwelling or home was built prior to adoption of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42)

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- U.S.C. 5403), in compliance with the standards of that Act in effect at that time or in compliance with the state building code as defined in ORS 455.010.
- (3) Except as provided in subsection (5) of this section, if the tenant's dwelling or home is in disrepair or is deteriorated, a landlord may terminate a rental agreement and require the removal of a dwelling or home by giving to the tenant not less than 30 days' written notice before the date designated in the notice for termination.
 - (4) The notice required by subsection (3) of this section must:

- (a) State facts sufficient to notify the tenant of the causes or reasons for termination of the tenancy and removal of the dwelling or home;
- (b) State that the tenant can avoid termination and removal by correcting the cause for termination and removal within the notice period;
 - (c) Describe what is required to correct the cause for termination;
- (d) Describe the tenant's right to give the landlord a written notice of correction, where to give the notice and the deadline for giving the notice in order to ensure a response by the landlord, all as provided by subsection (6) of this section; and
- (e) Describe the tenant's right to have the termination and correction period extended as provided by subsection (7) of this section.
- (5) The tenant may avoid termination of the tenancy by correcting the cause within the period specified. However, if substantially the same condition that constituted a prior cause for termination of which notice was given recurs within 12 months after the date of the notice, the landlord may terminate the tenancy and require the removal of the dwelling or home upon at least 30 days' written notice specifying the violation and the date of termination of the tenancy.
- (6) During the termination notice or extension period, the tenant may give the landlord written notice that the tenant has corrected the cause for termination. Within a reasonable time after the tenant's notice of correction, the landlord shall respond to the tenant in writing, stating whether the landlord agrees that the cause has been corrected. If the tenant's notice of correction is given at least 14 days prior to the end of the termination notice or extension period, failure by the landlord to respond as required by this subsection is a defense to a termination based upon the landlord's notice for termination.
- (7) Except when the disrepair or deterioration creates a risk of imminent and serious harm to other dwellings, homes or persons within the facility, the 30-day period provided for the tenant to correct the cause for termination and removal shall be extended by at least:
 - (a) An additional 60 days if:
- (A) The necessary correction involves exterior painting, roof repair, concrete pouring or similar work and the weather prevents that work during a substantial portion of the 30-day period; or
- (B) The nature or extent of the correction work is such that it cannot reasonably be completed within 30 days because of factors such as the amount of work necessary, the type and complexity of the work and the availability of necessary repair persons; or
- (b) An additional six months if the disrepair or deterioration has existed for more than the preceding 12 months with the landlord's knowledge or acceptance as described in [ORS 90.415 (1)] section 31 of this 2007 Act.
- (8) In order to have the period for correction extended as provided in subsection (7) of this section, a tenant must give the landlord written notice describing the necessity for an extension in order to complete the correction work. The notice must be given a reasonable amount of time prior to the end of the notice for termination period.

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- (9) A tenancy terminates on the date designated in the notice and without regard to the expiration of the period for which, by the terms of the rental agreement, rents are to be paid. Unless otherwise agreed, rent is uniformly apportionable from day to day.
- (10) This section does not limit a landlord's right to terminate a tenancy for nonpayment of rent under ORS 90.394 or for other cause under ORS 90.380 (5)(b), 90.396, 90.398 or 90.630 by complying with ORS 105.105 to 105.168.
- (11) A landlord may give a copy of the notice for termination required by this section to any lienholder of the dwelling or home, by first class mail with certificate of mailing or by any other method allowed by ORS 90.150 (2) and (3). A landlord is not liable to a tenant for any damages incurred by the tenant as a result of the landlord giving a copy of the notice in good faith to a lienholder.
- (12) When a tenant has been given a notice for termination pursuant to this section and has subsequently abandoned the dwelling or home as described in ORS 90.675, any lienholder shall have the same rights as provided by ORS 90.675, including the right to correct the cause of the notice, within the 90-day period provided by ORS 90.675 (19) notwithstanding the expiration of the notice period provided by this section for the tenant to correct the cause.

SECTION 38. ORS 90.675 is amended to read:

90.675. (1) As used in this section:

- (a) "Current market value" means the amount in cash, as determined by the county assessor, that could reasonably be expected to be paid for personal property by an informed buyer to an informed seller, each acting without compulsion in an arm's-length transaction occurring on the assessment date for the tax year or on the date of a subsequent reappraisal by the county assessor.
- (b) "Dispose of the personal property" means that, if reasonably appropriate, the landlord may throw away the property or may give it without consideration to a nonprofit organization or to a person unrelated to the landlord. The landlord may not retain the property for personal use or benefit.
- (c) "Lienholder" means any lienholder of abandoned personal property, if the lien is of record or the lienholder is actually known to the landlord.
 - (d) "Of record" means:
- (A) For a manufactured dwelling, that a security interest has been properly recorded in the records of the Department of Consumer and Business Services pursuant to ORS 446.611 or on a certificate of title issued by the Department of Transportation prior to May 1, 2005.
- (B) For a floating home, that a security interest has been properly recorded with the State Marine Board pursuant to ORS 830.740 to 830.755 for a home registered and titled with the board pursuant to ORS 830.715.
- (e) "Personal property" means only a manufactured dwelling or floating home located in a facility and subject to ORS 90.505 to 90.840. "Personal property" does not include goods left inside a manufactured dwelling or floating home or left upon a rented space and subject to disposition under ORS 90.425.
- (2) A landlord may not store, sell or dispose of abandoned personal property except as provided by this section. This section governs the rights and obligations of landlords, tenants and any lienholders in any personal property abandoned or left upon the premises by the tenant or any lienholder in the following circumstances:
- (a) The tenancy has ended by termination or expiration of a rental agreement or by relinquishment or abandonment of the premises and the landlord reasonably believes under all the

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- circumstances that the tenant has left the personal property upon the premises with no intention of asserting any further claim to the premises or to the personal property;
 - (b) The tenant has been absent from the premises continuously for seven days after termination of a tenancy by a court order that has not been executed; or
 - (c) The landlord receives possession of the premises from the sheriff following restitution pursuant to ORS 105.161.
 - (3) Prior to selling or disposing of the tenant's personal property under this section, the landlord must give a written notice to the tenant that must be:
 - (a) Personally delivered to the tenant; or
 - (b) Sent by first class mail addressed and mailed to the tenant at:
- 11 (A) The premises;

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- (B) Any post-office box held by the tenant and actually known to the landlord; and
- 13 (C) The most recent forwarding address if provided by the tenant or actually known to the landlord.
- 15 (4)(a) A landlord shall also give a copy of the notice described in subsection (3) of this section 16 to:
 - (A) Any lienholder of the personal property;
 - (B) The tax collector of the county where the personal property is located; and
 - (C) The assessor of the county where the personal property is located.
 - (b) The landlord shall give the notice copy required by this subsection by personal delivery or first class mail, except that for any lienholder, mail service must be both by first class mail and by certified mail with return receipt requested.
 - (c) A notice to lienholders under paragraph (a)(A) of this subsection must be sent to each lienholder at each address:
 - (A) Actually known to the landlord;
 - (B) Of record; and
 - (C) Provided to the landlord by the lienholder in a written notice that identifies the personal property subject to the lien and that was sent to the landlord by certified mail with return receipt requested within the preceding five years. The notice must identify the personal property by describing the physical address of the property.
 - (5) The notice required under subsection (3) of this section must state that:
 - (a) The personal property left upon the premises is considered abandoned;
 - (b) The tenant or any lienholder must contact the landlord by a specified date, as provided in subsection (6) of this section, to arrange for the removal of the abandoned personal property;
 - (c) The personal property is stored on the rented space;
 - (d) The tenant or any lienholder, except as provided by subsection (18) of this section, may arrange for removal of the personal property by contacting the landlord at a described telephone number or address on or before the specified date;
 - (e) The landlord shall make the personal property available for removal by the tenant or any lienholder, except as provided by subsection (18) of this section, by appointment at reasonable times;
 - (f) If the personal property is considered to be abandoned pursuant to subsection (2)(a) or (b) of this section, the landlord may require payment of storage charges, as provided by subsection (7)(b) of this section, prior to releasing the personal property to the tenant or any lienholder;
 - (g) If the personal property is considered to be abandoned pursuant to subsection (2)(c) of this section, the landlord may not require payment of storage charges prior to releasing the personal

property;

- (h) If the tenant or any lienholder fails to contact the landlord by the specified date or fails to remove the personal property within 30 days after that contact, the landlord may sell or dispose of the personal property. If the landlord reasonably believes the county assessor will determine that the current market value of the personal property is \$8,000 or less, and the landlord intends to dispose of the property if the property is not claimed, the notice shall state that belief and intent; and
- (i) If applicable, there is a lienholder that has a right to claim the personal property, except as provided by subsection (18) of this section.
- (6) For purposes of subsection (5) of this section, the specified date by which a tenant or lienholder must contact a landlord to arrange for the disposition of abandoned personal property must be not less than 45 days after personal delivery or mailing of the notice.
 - (7) After notifying the tenant as required by subsection (3) of this section, the landlord:
- (a) Shall store the abandoned personal property of the tenant on the rented space and shall exercise reasonable care for the personal property; and
- (b) Is entitled to reasonable or actual storage charges and costs incidental to storage or disposal. The storage charge may be no greater than the monthly space rent last payable by the tenant.
- (8) If a tenant or lienholder, upon the receipt of the notice provided by subsection (3) or (4) of this section or otherwise, responds by actual notice to the landlord on or before the specified date in the landlord's notice that the tenant or lienholder intends to remove the personal property from the premises, the landlord must make that personal property available for removal by the tenant or lienholder by appointment at reasonable times during the 30 days following the date of the response, subject to subsection (18) of this section. If the personal property is considered to be abandoned pursuant to subsection (2)(a) or (b) of this section, but not pursuant to subsection (2)(c) of this section, the landlord may require payment of storage charges, as provided in subsection (7)(b) of this section, prior to allowing the tenant or lienholder to remove the personal property. Acceptance by a landlord of such payment does not operate to create or reinstate a tenancy or create a waiver pursuant to [ORS 90.415] section 32 or 33 of this 2007 Act.
- (9) Except as provided in subsections (18) to (20) of this section, if the tenant or lienholder does not respond within the time provided by the landlord's notice, or the tenant or lienholder does not remove the personal property within 30 days after responding to the landlord or by any date agreed to with the landlord, whichever is later, the personal property is conclusively presumed to be abandoned. The tenant and any lienholder that have been given notice pursuant to subsection (3) or (4) of this section shall, except with regard to the distribution of sale proceeds pursuant to subsection (13) of this section, have no further right, title or interest to the personal property and may not claim or sell the property.
- (10) If the personal property is presumed to be abandoned under subsection (9) of this section, the landlord then may:
 - (a) Sell the personal property at a public or private sale, provided that prior to the sale:
- (A) The landlord may seek to transfer ownership of record of the personal property by complying with the requirements of the appropriate state agency; and
 - (B) The landlord shall:
- (i) Place a notice in a newspaper of general circulation in the county in which the personal property is located. The notice shall state:

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(I) That the personal property is abandoned;

(II) The tenant's name;

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- (III) The address and any space number where the personal property is located, and any plate, registration or other identification number for a floating home noted on the title, if actually known to the landlord;
 - (IV) Whether the sale is by private bidding or public auction;
 - (V) Whether the landlord is accepting sealed bids and, if so, the last date on which bids will be accepted; and
 - (VI) The name and telephone number of the person to contact to inspect the personal property;
 - (ii) At a reasonable time prior to the sale, give a copy of the notice required by subsubparagraph (i) of this subparagraph to the tenant and to any lienholder, by personal delivery or first class mail, except that for any lienholder, mail service must be by first class mail with certificate of mailing;
 - (iii) Obtain an affidavit of publication from the newspaper to show that the notice required under sub-subparagraph (i) of this subparagraph ran in the newspaper at least one day in each of two consecutive weeks prior to the date scheduled for the sale or the last date bids will be accepted; and
 - (iv) Obtain written proof from the county that all property taxes and assessments on the personal property have been paid or, if not paid, that the county has authorized the sale, with the sale proceeds to be distributed pursuant to subsection (13) of this section; or
 - (b) Destroy or otherwise dispose of the personal property if the landlord determines from the county assessor that the current market value of the property is \$8,000 or less.
 - (11)(a) A public or private sale authorized by this section must be conducted consistent with the terms listed in subsection (10)(a)(B)(i) of this section. Every aspect of the sale including the method, manner, time, place and terms must be commercially reasonable.
 - (b) If there is no buyer at a sale described under paragraph (a) of this subsection, the personal property is considered to be worth \$8,000 or less, regardless of current market value, and the land-lord shall destroy or otherwise dispose of the personal property.
 - (12) Notwithstanding ORS 446.155 (1) and (2), unless a landlord intentionally misrepresents the condition of personal property, the landlord is not liable for the condition of the personal property to:
 - (a) A buyer of the personal property at a sale pursuant to subsection (10)(a) of this section, with or without consideration; or
 - (b) A person or nonprofit organization to whom the landlord gives the personal property pursuant to subsection (1)(b), (10)(b) or (11)(b) of this section.
 - (13)(a) The landlord may deduct from the proceeds of the sale:
 - (A) The reasonable or actual cost of notice, storage and sale; and
 - (B) Unpaid rent.
 - (b) After deducting the amounts listed in paragraph (a) of this subsection, the landlord shall remit the remaining proceeds, if any, to the county tax collector to the extent of any unpaid property taxes and assessments owed on the dwelling or home.
 - (c) After deducting the amounts listed in paragraphs (a) and (b) of this subsection, if applicable, the landlord shall remit the remaining proceeds, if any, to any lienholder to the extent of any unpaid balance owed on the lien on the personal property.
 - (d) After deducting the amounts listed in paragraphs (a), (b) and (c) of this subsection, if applicable, the landlord shall remit to the tenant the remaining proceeds, if any, together with an item-

1 ized accounting.

- (e) If the tenant cannot after due diligence be found, the landlord shall deposit the remaining proceeds with the county treasurer of the county in which the sale occurred. If not claimed within three years, the deposited proceeds revert to the general fund of the county and are available for general purposes.
- (14) The county tax collector shall cancel all unpaid property taxes and assessments as provided under ORS 311.790 only under one of the following circumstances:
- (a) The landlord disposes of the personal property after a determination described in subsection (10)(b) of this section.
- (b) There is no buyer of the personal property at a sale described under subsection (11) of this section.
- (c)(A) There is a buyer of the personal property at a sale described under subsection (11) of this section;
 - (B) The current market value of the personal property is \$8,000 or less; and
- (C) The proceeds of the sale are insufficient to satisfy the unpaid property taxes and assessments owed on the personal property after distribution of the proceeds pursuant to subsection (13) of this section.
- (d)(A) The landlord buys the personal property at a sale described under subsection (11) of this section;
 - (B) The current market value of the personal property is more than \$8,000;
- (C) The proceeds of the sale are insufficient to satisfy the unpaid property taxes and assessments owed on the personal property after distribution of the proceeds pursuant to subsection (13) of this section; and
 - (D) The landlord disposes of the personal property.
- (15) The landlord is not responsible for any loss to the tenant or lienholder resulting from storage of personal property in compliance with this section unless the loss was caused by the landlord's deliberate or negligent act. In the event of a deliberate and malicious violation, the landlord is liable for twice the actual damages sustained by the tenant or lienholder.
- (16) Complete compliance in good faith with this section shall constitute a complete defense in any action brought by a tenant or lienholder against a landlord for loss or damage to such personal property disposed of pursuant to this section.
 - (17) If a landlord does not comply with this section:
- (a) The tenant is relieved of any liability for damage to the premises caused by conduct that was not deliberate, intentional or grossly negligent and for unpaid rent and may recover from the landlord up to twice the actual damages sustained by the tenant;
- (b) A lienholder aggrieved by the noncompliance may recover from the landlord the actual damages sustained by the lienholder. ORS 90.255 does not authorize an award of attorney fees to the prevailing party in any action arising under this paragraph; and
- (c) A county tax collector aggrieved by the noncompliance may recover from the landlord the actual damages sustained by the tax collector, if the noncompliance is part of an effort by the landlord to defraud the tax collector. ORS 90.255 does not authorize an award of attorney fees to the prevailing party in any action arising under this paragraph.
- (18) The provisions of this section regarding the rights and responsibilities of a tenant to the abandoned personal property also apply to any lienholder, except that the lienholder may not sell or remove the dwelling or home unless:

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- (a) The lienholder has foreclosed the lien on the manufactured dwelling or floating home;
- (b) The tenant or a personal representative or designated person described in subsection (20) of this section has waived all rights under this section pursuant to subsection (22) of this section; or
- (c) The notice and response periods provided by subsections (6) and (8) of this section have expired.
- (19)(a) Except as provided by subsection (20)(d) and (e) of this section, if a lienholder makes a timely response to a notice of abandoned personal property pursuant to subsections (6) and (8) of this section and so requests, a landlord shall enter into a written storage agreement with the lienholder providing that the personal property may not be sold or disposed of by the landlord for up to 12 months. A storage agreement entitles the lienholder to store the personal property on the previously rented space during the term of the agreement, but does not entitle anyone to occupy the personal property.
- (b) The lienholder's right to a storage agreement arises upon the failure of the tenant or, in the case of a deceased tenant, the personal representative, designated person, heir or devisee to remove or sell the dwelling or home within the allotted time.
- (c) To exercise the right to a storage agreement under this subsection, in addition to contacting the landlord with a timely response as described in paragraph (a) of this subsection, the lienholder must enter into the proposed storage agreement within 60 days after the landlord gives a copy of the agreement to the lienholder. The landlord shall give a copy of the proposed storage agreement to the lienholder in the same manner as provided by subsection (4)(b) of this section. The landlord may include a copy of the proposed storage agreement with the notice of abandoned property required by subsection (4) of this section. A lienholder enters into a storage agreement by signing a copy of the agreement provided by the landlord and personally delivering or mailing the signed copy to the landlord within the 60-day period.
- (d) The storage agreement may require, in addition to other provisions agreed to by the landlord and the lienholder, that:
- (A) The lienholder make timely periodic payment of all storage charges, as described in subsection (7)(b) of this section, accruing from the commencement of the 45-day period described in subsection (6) of this section. A storage charge may include a utility or service charge, as described in ORS 90.532, if limited to charges for electricity, water, sewer service and natural gas and if incidental to the storage of personal property. A storage charge may not be due more frequently than monthly;
- (B) The lienholder pay a late charge or fee for failure to pay a storage charge by the date required in the agreement, if the amount of the late charge is no greater than for late charges imposed on facility tenants;
- (C) The lienholder maintain the personal property and the space on which the personal property is stored in a manner consistent with the rights and obligations described in the rental agreement that the landlord currently provides to tenants as required by ORS 90.510 (4); and
- (D) The lienholder repair any defects in the physical condition of the personal property that existed prior to the lienholder entering into the storage agreement, if the defects and necessary repairs are reasonably described in the storage agreement and, for homes that were first placed on the space within the previous 24 months, the repairs are reasonably consistent with facility standards in effect at the time of placement. The lienholder shall have 90 days after entering into the storage agreement to make the repairs. Failure to make the repairs within the allotted time consti-

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tutes a violation of the storage agreement and the landlord may terminate the agreement by giving at least 14 days' written notice to the lienholder stating facts sufficient to notify the lienholder of the reason for termination. Unless the lienholder corrects the violation within the notice period, the agreement terminates as provided and the landlord may sell or dispose of the property without further notice to the lienholder.

- (e) Notwithstanding subsection (7)(b) of this section, a landlord may increase the storage charge if the increase is part of a facility-wide rent increase for all facility tenants, the increase is no greater than the increase for other tenants and the landlord gives the lienholder written notice consistent with the requirements of ORS 90.600 (1).
- (f) During the term of an agreement described under this subsection, the lienholder has the right to remove or sell the property, subject to the provisions of the lien. Selling the property includes a sale to a purchaser who wishes to leave the property on the rented space and become a tenant, subject to the provisions of ORS 90.680. The landlord may condition approval for occupancy of any purchaser of the property upon payment of all unpaid storage charges and maintenance costs.
- (g)(A) Except as provided in paragraph (d)(D) of this subsection, if the lienholder violates the storage agreement, the landlord may terminate the agreement by giving at least 90 days' written notice to the lienholder stating facts sufficient to notify the lienholder of the reason for the termination. Unless the lienholder corrects the violation within the notice period, the agreement terminates as provided and the landlord may sell or dispose of the property without further notice to the lienholder.
- (B) After a landlord gives a termination notice pursuant to subparagraph (A) of this paragraph for failure of the lienholder to pay a storage charge and the lienholder corrects the violation, if the lienholder again violates the storage agreement by failing to pay a subsequent storage charge, the landlord may terminate the agreement by giving at least 30 days' written notice to the lienholder stating facts sufficient to notify the lienholder of the reason for termination. Unless the lienholder corrects the violation within the notice period, the agreement terminates as provided and the landlord may sell or dispose of the property without further notice to the lienholder.
- (C) A lienholder may terminate a storage agreement at any time upon at least 14 days' written notice to the landlord and may remove the property from the facility if the lienholder has paid all storage charges and other charges as provided in the agreement.
- (h) Upon the failure of a lienholder to enter into a storage agreement as provided by this subsection or upon termination of an agreement, unless the parties otherwise agree or the lienholder has sold or removed the property, the landlord may sell or dispose of the property pursuant to this section without further notice to the lienholder.
- (20) If the personal property is considered abandoned as a result of the death of a tenant who was the only tenant, this section applies, except as follows:
- (a) The provisions of this section regarding the rights and responsibilities of a tenant to the abandoned personal property shall apply to any personal representative named in a will or appointed by a court to act for the deceased tenant or any person designated in writing by the tenant to be contacted by the landlord in the event of the tenant's death.
 - (b) The notice required by subsection (3) of this section must be:
 - (A) Sent by first class mail to the deceased tenant at the premises; and
- (B) Personally delivered or sent by first class mail to any personal representative or designated person if actually known to the landlord.
 - (c) The notice described in subsection (5) of this section must refer to any personal represen-

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tative or designated person, instead of the deceased tenant, and must incorporate the provisions of this subsection.

- (d) If a personal representative, designated person or other person entitled to possession of the property, such as an heir or devisee, responds by actual notice to a landlord within the 45-day period provided by subsection (6) of this section and so requests, the landlord shall enter into a written storage agreement with the representative or person providing that the personal property may not be sold or disposed of by the landlord for up to 90 days or until conclusion of any probate proceedings, whichever is later. A storage agreement entitles the representative or person to store the personal property on the previously rented space during the term of the agreement, but does not entitle anyone to occupy the personal property. If such an agreement is entered, the landlord may not enter a similar agreement with a lienholder pursuant to subsection (19) of this section until the agreement with the personal representative or designated person ends.
- (e) If a personal representative or other person requests that a landlord enter into a storage agreement, subsection (19)(c) to (e) and (g)(C) of this section applies, with the representative or person having the rights and responsibilities of a lienholder with regard to the storage agreement.
- (f) During the term of an agreement described under paragraph (d) of this subsection, the representative or person has the right to remove or sell the property, including a sale to a purchaser or a transfer to an heir or devisee where the purchaser, heir or devisee wishes to leave the property on the rented space and become a tenant, subject to the provisions of ORS 90.680. The landlord also may condition approval for occupancy of any purchaser, heir or devisee of the property upon payment of all unpaid storage charges and maintenance costs.
- (g) If the representative or person violates the storage agreement, the landlord may terminate the agreement by giving at least 30 days' written notice to the representative or person stating facts sufficient to notify the representative or person of the reason for the termination. Unless the representative or person corrects the violation within the notice period, the agreement terminates as provided and the landlord may sell or dispose of the property without further notice to the representative or person.
- (h) Upon the failure of a representative or person to enter into a storage agreement as provided by this subsection or upon termination of an agreement, unless the parties otherwise agree or the representative or person has sold or removed the property, the landlord may sell or dispose of the property pursuant to this section without further notice to the representative or person.
- (21) If a governmental agency determines that the condition of personal property abandoned under this section constitutes an extreme health or safety hazard under state or local law and the agency determines that the hazard endangers others in the facility and requires quick removal of the property, the landlord may sell or dispose of the property pursuant to this subsection. The landlord shall comply with all provisions of this section, except as follows:
- (a) The date provided in subsection (6) of this section by which a tenant, lienholder, personal representative or designated person must contact a landlord to arrange for the disposition of the property must be not less than 15 days after personal delivery or mailing of the notice required by subsection (3) of this section.
- (b) The date provided in subsections (8) and (9) of this section by which a tenant, lienholder, personal representative or designated person must remove the property must be not less than seven days after the tenant, lienholder, personal representative or designated person contacts the landlord.
- (c) The notice required by subsection (3) of this section must be as provided in subsection (5) of this section, except that:

- (A) The dates and deadlines in the notice for contacting the landlord and removing the property must be consistent with this subsection;
- (B) The notice must state that a governmental agency has determined that the property constitutes an extreme health or safety hazard and must be removed quickly; and
 - (C) The landlord shall attach a copy of the agency's determination to the notice.
- (d) If the tenant, a lienholder or a personal representative or designated person does not remove the property within the time allowed, the landlord or a buyer at a sale by the landlord under subsection (11) of this section shall promptly remove the property from the facility.
- (e) A landlord is not required to enter into a storage agreement with a lienholder, personal representative or designated person pursuant to subsection (19) of this section.
- (22)(a) A landlord may sell or dispose of a tenant's abandoned personal property without complying with the provisions of this section if, after termination of the tenancy or no more than seven days prior to the termination of the tenancy, the following parties so agree in a writing entered into in good faith:
 - (A) The landlord;

- (B) The tenant, or for an abandonment as the result of the death of a tenant who was the only tenant, the personal representative, designated person or other person entitled to possession of the personal property, such as an heir or devisee, as described in subsection (20) of this section; and
 - (C) Any lienholder.
- (b) A landlord may not, as part of a rental agreement, as a condition to approving a sale of property on rented space under ORS 90.680 or in any other manner, require a tenant, a personal representative, a designated person or any lienholder to waive any right provided by this section.
- (23) Until personal property is conclusively presumed to be abandoned under subsection (9) of this section, a landlord does not have a lien pursuant to ORS 87.152 for storing the personal property.

SECTION 39. ORS 90.680 is amended to read:

- 90.680. (1) A landlord may not deny any manufactured dwelling or floating home space tenant the right to sell a manufactured dwelling or floating home on a rented space or require the tenant to remove the dwelling or home from the space solely on the basis of the sale.
- (2) The landlord may not exact a commission or fee for the sale of a manufactured dwelling or floating home on a rented space unless the landlord has acted as agent for the seller pursuant to written contract.
- (3) The landlord may not deny the tenant the right to place a "for sale" sign on or in a manufactured dwelling or floating home owned by the tenant. The size, placement and character of such signs shall be subject to reasonable rules of the landlord.
- (4) If the prospective purchaser of a manufactured dwelling or floating home desires to leave the dwelling or home on the rented space and become a tenant, the landlord may require in the rental agreement:
- (a) Except when a termination or abandonment occurs, that a tenant give not more than 10 days' notice in writing prior to the sale of the dwelling or home on a rented space;
- (b) That prior to the sale, the prospective purchaser submit to the landlord a complete and accurate written application for occupancy of the dwelling or home as a tenant after the sale is finalized and that a prospective purchaser may not occupy the dwelling or home until after the prospective purchaser is accepted by the landlord as a tenant;
 - (c) That a tenant give notice to any lienholder, prospective purchaser or person licensed to sell

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dwellings or homes of the requirements of paragraphs (b) and (d) of this subsection, the location of all properly functioning smoke alarms and any other rules and regulations of the facility such as those described in ORS 90.510 (5)(b), (f), (h) and (i); and

- (d) If the sale is not by a lienholder, that the prospective purchaser pay in full all rents, fees, deposits or charges owed by the tenant as authorized under ORS 90.140 and the rental agreement, prior to the landlord's acceptance of the prospective purchaser as a tenant.
- (5) If a landlord requires a prospective purchaser to submit an application for occupancy as a tenant under subsection (4) of this section, at the time that the landlord gives the prospective purchaser an application the landlord shall also give the prospective purchaser copies of the statement of policy, the rental agreement and the facility rules and regulations, including any conditions imposed on a subsequent sale, all as provided by ORS 90.510. The terms of the statement, rental agreement and rules and regulations need not be the same as those in the selling tenant's statement, rental agreement and rules and regulations.
- (6) The following apply if a landlord receives an application for tenancy from a prospective purchaser under subsection (4) of this section:
- (a) The landlord shall accept or reject the prospective purchaser's application within seven days following the day the landlord receives a complete and accurate written application. An application is not complete until the prospective purchaser pays any required applicant screening charge and provides the landlord with all information and documentation, including any financial data and references, required by the landlord pursuant to ORS 90.510 (5)(h). The landlord and the prospective purchaser may agree to a longer time period for the landlord to evaluate the prospective purchaser's application or to allow the prospective purchaser to address any failure to meet the landlord's screening or admission criteria. If a tenant has not previously given the landlord the 10 days' notice required under subsection (4)(a) of this section, the period provided for the landlord to accept or reject a complete and accurate written application is extended to 10 days.
- (b) The landlord may not unreasonably reject a prospective purchaser as a tenant. Reasonable cause for rejection includes, but is not limited to, failure of the prospective purchaser to meet the landlord's conditions for approval as provided in ORS 90.510 (5)(h) or failure of the prospective purchaser's references to respond to the landlord's timely request for verification within the time allowed for acceptance or rejection under paragraph (a) of this subsection. Except as provided in paragraph (c) of this subsection, the landlord shall furnish to the seller and purchaser a written statement of the reasons for the rejection.
- (c) If a rejection under paragraph (b) of this subsection is based upon a consumer report, as defined in 15 U.S.C. 1681a for purposes of the federal Fair Credit Reporting Act, the landlord may not disclose the contents of the report to anyone other than the purchaser. The landlord shall disclose to the seller in writing that the rejection is based upon information contained within a consumer report and that the landlord may not disclose the information within the report.
- (7) The following apply if a landlord does not require a prospective purchaser to submit an application for occupancy as a tenant under subsection (4) of this section or if the landlord does not accept or reject the prospective purchaser as a tenant within the time required under subsection (6) of this section:
- (a) The landlord waives any right to bring an action against the tenant under the rental agreement for breach of the landlord's right to establish conditions upon and approve a prospective purchaser of the tenant's dwelling or home;
 - (b) The prospective purchaser, upon completion of the sale, may occupy the dwelling or home

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as a tenant under the same conditions and terms as the tenant who sold the dwelling or home; and

- (c) If the prospective purchaser becomes a new tenant, the landlord may impose conditions or terms on the tenancy that are inconsistent with the terms and conditions of the seller's rental agreement only if the new tenant agrees in writing.
- (8) A landlord may not, because of the age, size, style or original construction material of the dwelling or home or because the dwelling or home was built prior to adoption of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5403), in compliance with the standards of that Act in effect at that time or in compliance with the state building code as defined in ORS 455.010:
- (a) Reject an application for tenancy from a prospective purchaser of an existing dwelling or home on a rented space within a facility; or
- (b) Require a prospective purchaser of an existing dwelling or home on a rented space within a facility to remove the dwelling or home from the rented space.
- (9) A tenant who has received a notice pursuant to ORS 90.632 may sell the tenant's dwelling or home in compliance with this section during the notice period. The tenant shall provide a prospective purchaser with a copy of any outstanding notice given pursuant to ORS 90.632 prior to a sale. The landlord may also give any prospective purchaser a copy of any such notice. The landlord may require as a condition of tenancy that a prospective purchaser who desires to leave the dwelling or home on the rented space and become a tenant must comply with the notice within the notice period consistent with ORS 90.632. If the tenancy has been terminated pursuant to ORS 90.632, or the notice period provided in ORS 90.632 has expired without a correction of cause or extension of time to correct, a prospective purchaser does not have a right to leave the dwelling or home on the rented space and become a tenant.
- (10) Except as provided by subsection (9) of this section, after a tenancy has ended and during the period provided by ORS 90.675 (6) and (8), a former tenant retains the right to sell the tenant's dwelling or home to a purchaser who wishes to leave the dwelling or home on the rented space and become a tenant as provided by this section, if the former tenant makes timely periodic payment of all storage charges as provided by ORS 90.675 (7)(b), maintains the dwelling or home and the rented space on which it is stored and enters the premises only with the written permission of the landlord. Payment of the storage charges or maintenance of the dwelling or home and the space does not create or reinstate a tenancy or create a waiver pursuant to [ORS 90.415] section 31 or 32 of this 2007 Act. A former tenant may not enter the premises without the written permission of the landlord, including entry to maintain the dwelling or home or the space or to facilitate a sale.

SECTION 40. ORS 105.120 is amended to read:

105.120. (1) As used in this section, "rent" does not include funds paid under the United States Housing Act of 1937 (42 U.S.C. 1437f).

[(1)] (2) Except as provided in subsection [(2)] (3) of this section, an action for the recovery of the possession of the premises may be maintained in cases provided in ORS 105.115 (1)(b), when the notice to terminate the tenancy or to quit has been served upon the tenant or person in possession in the manner prescribed by ORS 91.110 and for the period prescribed by ORS 91.060 to 91.080 before the commencement of the action, unless the leasing or occupation is for the purpose of farming or agriculture, in which case the notice must be served for a period of 90 days before the commencement of the action. Any person entering into the possession of real estate under written lease as the tenant of another may, by the terms of the lease, waive the giving of any notice required by this subsection.

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- [(2)] (3) An action for the recovery of the possession of a dwelling unit to which ORS chapter 90 applies may be maintained in situations described in ORS 105.115 (2) when the notice to terminate the tenancy or to quit has been served by the tenant upon the landlord or by the landlord upon the tenant or person in possession in the manner prescribed by ORS 90.155.
- [(3)] (4) Except when a tenancy involves a dwelling unit subject to ORS chapter 90, the service of a notice to quit upon a tenant or person in possession does not authorize an action to be maintained against the tenant or person in possession for the possession of premises before the expiration of any period for which the tenant or person has paid the rent of the premises in advance.
- [(4)] (5) An action to recover possession of a dwelling unit subject to ORS chapter 90 may not be brought or filed against a tenant or person in possession based upon a notice under ORS 90.427 to terminate the tenancy until after the expiration of any period for which the tenant or person has paid the rent of the dwelling unit in advance, unless:
- (a) The only other money paid by the tenant was collected as a last month's rent deposit as provided under ORS 90.300; or
- (b) The only unused rent was paid by the tenant for a rental period extending beyond the termination date specified in a valid outstanding notice to terminate the tenancy and the landlord refunded the unused rent within six days after receipt by delivering the unused rent to the tenant in person or by first class mailing.

SECTION 41. ORS 90.300 is amended to read:

- 90.300. (1) As used in this section, "security deposit" includes any last month's rent deposit.
- (2) Except as otherwise provided in this section, a landlord may require the payment of a security deposit. A security deposit or prepaid rent shall be held by the landlord for the tenant who is a party to the rental agreement. The claim of a tenant to the security deposit or prepaid rent shall be prior to the claim of any creditor of the landlord, including a trustee in bankruptcy. The holder of the landlord's interest in the premises at the time of termination of the tenancy is responsible to the tenant for any security deposit or prepaid rent and is bound by this section.
- (3)(a) A landlord may not change the rental agreement to require the payment of a new or increased security deposit during the first year after the tenancy has begun, except that an additional deposit may be required if the landlord and tenant agree to modify the terms and conditions of the rental agreement to permit a pet or for other cause and the additional deposit relates to that modification. This paragraph does not prevent the collection of a security deposit that was provided for under an initial rental agreement but remained unpaid at the time the tenancy began.
- (b) If a landlord requires a new or increased security deposit after the first year of the tenancy, the landlord shall allow the tenant at least three months to pay that deposit.
- (4) The landlord may claim all or part of the security deposit only if the security deposit was made for any or all of the purposes provided by subsection (5) of this section.
 - (5) The landlord may claim from the security deposit only the amount reasonably necessary:
- (a) To remedy the tenant's defaults in the performance of the rental agreement including, but not limited to, unpaid rent; and
- (b) To repair damages to the premises caused by the tenant, not including ordinary wear and tear.
- (6) A landlord may not require that a security deposit or prepaid rent be required or forfeited to the landlord upon the failure of the tenant to maintain a tenancy for a minimum number of months in a month-to-month tenancy.
 - (7) Any last month's rent deposit must be applied to the rent due for the last month of the

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1 tenancy:

- (a) Upon either the landlord or tenant giving to the other a notice of termination, pursuant to this chapter, other than a notice of termination under ORS 90.394;
 - (b) Upon agreement by the landlord and tenant to terminate the tenancy; or
- (c) Upon termination pursuant to the provisions of a written rental agreement for a term tenancy.
- (8) Any portion of a last month's rent deposit not applied as provided under subsection (7) of this section shall be accounted for and refunded as provided under subsections (10) to (12) of this section. Unless the tenant and landlord agree otherwise, a last month's rent deposit shall not be applied to rent due for any period other than the last month of the tenancy. A last month's rent deposit shall not operate to limit the amount of rent charged unless a written rental agreement provides otherwise.
- (9) Upon termination of the tenancy, a landlord shall account for and refund to the tenant the unused balance of any prepaid rent not previously refunded to the tenant as required by ORS 90.380 and 105.120 [(4)(b)] (5)(b) or any other provision of this chapter, in the same manner as required for security deposits by this section. The landlord may claim from the remaining prepaid rent only the amount reasonably necessary to pay the tenant's unpaid rent.
- (10) In order to claim all or part of any prepaid rent or security deposit, within 31 days after the termination of the tenancy and delivery of possession the landlord shall give to the tenant a written accounting that states specifically the basis or bases of the claim. The landlord shall give a separate accounting for security deposits and for prepaid rent.
- (11) The security deposit or prepaid rent or portion thereof not claimed in the manner provided by subsections (9) and (10) of this section shall be returned to the tenant not later than 31 days after the termination of the tenancy and delivery of possession to the landlord.
- (12) The landlord shall give the written accounting as required by subsection (10) of this section or shall return the security deposit or prepaid rent as required by subsection (11) of this section by personal delivery or by first class mail.
- (13) If a security deposit or prepaid rent secures a tenancy for a space for a tenant owned and occupied manufactured dwelling or floating home, whether or not in a facility, and the dwelling or home is abandoned as described in ORS 90.425 (2) or 90.675 (2), the 31-day period described in subsections (10) and (11) of this section commences on the earliest of:
 - (a) Waiver of the abandoned property process under ORS 90.425 (25) or 90.675 (22);
 - (b) Removal of the manufactured dwelling or floating home from the rented space;
- (c) Destruction or other disposition of the manufactured dwelling or floating home under ORS 90.425 (10)(b) or 90.675 (10)(b); or
- (d) Sale of the manufactured dwelling or floating home pursuant to ORS 90.425 (10)(a) or 90.675 (10)(a).
- (14) If the landlord fails to comply with subsection (11) of this section or if the landlord in bad faith fails to return all or any portion of any prepaid rent or security deposit due to the tenant under this chapter or the rental agreement, the tenant may recover the money due in an amount equal to twice the amount:
 - (a) Withheld without a written accounting under subsection (10) of this section; or
 - (b) Withheld in bad faith.
- (15)(a) A security deposit or prepaid rent in the possession of the landlord is not garnishable property, as provided in ORS 18.618.

(b) If a security deposit or prepaid rent is delivered to a garnishor in violation of ORS 18.618
(2), the landlord that delivered the security deposit or prepaid rent to the garnishor shall allow the
tenant at least 30 days after a copy of the garnishee response required by ORS 18.680 is delivered
to the tenant under ORS 18.690 to restore the security deposit or prepaid rent. If the tenant fails
to restore a security deposit or prepaid rent under the provisions of this paragraph before the
tenancy terminates, and the landlord retains no security deposit or prepaid rent from the tenant
after the garnishment, the landlord is not required to refund or account for the security deposit or
prepaid rent under subsection (9) of this section.

(16) This section does not preclude the landlord or tenant from recovering other damages under this chapter.

CAPTIONS

SECTION 42. The unit captions used in this 2007 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2007 Act.