

A-Engrossed
House Bill 3186

Ordered by the House May 11
Including House Amendments dated May 11

Sponsored by Representative SHIELDS; Representative KOTEK (at the request of Community Alliance of Tenants)

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.

Expands required contents for notice of condominium conversion. Requires declarant to send copy of notice and other information to certain officials or public bodies. Makes notice ineffective for starting 120-day period if notice does not contain required information or if officials or public bodies are not notified.

Prohibits landlord from evicting tenant without stated cause or imposing excessive rent increases after declarant gives 120-day notice of conversion. Allows action to recover damages for violation. [*Creates presumption that eviction without stated cause or excessive rent increase during 180 days before giving of notice of conversion was for improper purpose.*] **Prohibits landlord from using eviction or rent increase prior to notice of conversion to avoid or assist in avoiding requirements.** Allows action for resulting damages.

[*Requires declarant to make relocation payment to tenant after giving notice of conversion. Allows down payment on purchase of unit in lieu of relocation payment.*]

Limits hours for improvement or rehabilitation of common elements during 120-day notice period. Requires declarant to allow tenants access to and [*use of common elements during 120-day notice period*] **from dwelling unit during common element improvement or rehabilitation.** Allows action for violation of hours restriction or access and use requirements.

A BILL FOR AN ACT

1
2 Relating to conversion condominiums; creating new provisions; and amending ORS 91.225, 100.305
3 and 100.315.

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

5 **SECTION 1.** ORS 100.305 is amended to read:

6 100.305. (1) A declarant of a conversion condominium shall give each of the existing tenants of
7 any building which the declarant intends to submit to the provisions of this chapter notice of the
8 conversion at least 120 days before the conversion condominium is submitted to the provisions of
9 this chapter. Thereafter, until the property is submitted to the provisions of this chapter, the
10 declarant shall provide a copy of such notice to any new tenant before the commencement of the
11 tenancy. The notice of conversion shall:

12 (a) State that the declarant intends to create a conversion condominium and include general
13 information relating to the nature of condominium ownership[;].

14 (b) State that the notice does not constitute a notice to terminate the tenancy[;].

15 (c) State whether there will be a substantial alteration of the physical layout of the unit[;].

16 (d) State whether the declarant intends to offer the unit for sale and, if so:

17 (A) Set forth the rights of the tenant under ORS 100.310 (1) to (3), **including the time available**
18 **for the declarant to make an offer to sell and for the tenant to respond;**

19 (B) Set forth a good faith estimate of the approximate price range for which the unit will be
20 offered for sale to the tenant under ORS 100.310 (1) and (2); [*and*]

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.

1 (C) Set forth a good faith estimate of the monthly operational, maintenance and any other
2 common expenses or assessments appertaining to the unit; *[and]*

3 (D) **State that financial assistance for purchasing the unit may be available from a local**
4 **governing body, the Housing and Community Services Department or a regional housing**
5 **center;**

6 (E) **Give contact information for the local regional housing center or, if no regional**
7 **housing center exists, for the Housing and Community Services Department; and**

8 (F) **State that the landlord may not terminate the tenancy without cause.**

9 (e) **Include information in substantially the following form:**

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11
12
13 **NOTICE OF RENT INCREASE RESTRICTIONS**
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15 **During the 120 days following the receipt of this notice, your landlord may increase your**
16 **rent only as follows:**

17 **If your rental agreement says that your rent will increase on a particular date and by a**
18 **definite amount, the landlord may increase the rent as provided in your rental agreement.**

19 **If your rental agreement allows rent increases but does not say that your rent will in-**
20 **crease on a particular date and by a definite amount, the landlord may not increase your**
21 **rent by a percentage that is more than the percentage increase in the general cost of living.**
22 **An increase in the general cost of living is measured by the percentage increase in the**
23 **Portland-Salem Consumer Price Index for All Urban Consumers for All Items as reported**
24 **by the United States Bureau of Labor Statistics.**

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26
27 *[(e)]* (f) **Be hand delivered to the dwelling unit of the tenant or sent to the tenant at the address**
28 **of the dwelling unit by certified mail, return receipt requested.**

29 (2) A notice of conversion given under subsection (1) of this section *[shall]*:

30 (a) **Shall** be for the sole purpose of providing the tenant with general information regarding the
31 anticipated cost of acquisition of the unit and estimated monthly expenses.

32 (b) **Does** not obligate the declarant to submit the property to the provisions of this chapter.

33 (c) **Does** not constitute an offer to sell the unit to the tenant or an offer to sell at a particular
34 price.

35 (d) **Is** not *[be]* a limitation on monthly common expenses or assessments.

36 (3) The notice of conversion given under subsection (1) of this section must be delivered to the
37 tenant at least 30 days prior to the presentation of an offer to sell under ORS 100.310 (1) and (2).

38 (4) **The declarant shall send a copy of the notice of conversion to the mayor of the city**
39 **in which the conversion condominium is located or, if the conversion condominium is not**
40 **located in a city, to the county commission or county court.**

41 (5) **A notice of conversion that does not contain the information required by subsection**
42 **(1)(a) to (e) of this section, or that is not sent to the mayor, county commission or county**
43 **court as required by subsection (4) of this section, does not begin the 120-day period required**
44 **by subsection (1) of this section. Notwithstanding any prior delivery of a deficient notice of**
45 **conversion, the 120-day period required by subsection (1) of this section does not begin until**

1 **the date a valid notice is delivered. A tenant, mayor, county commission or county court**
2 **entitled to notice may bring an action for injunctive relief to prevent the conversion until**
3 **the declarant has complied with the notice requirement.**

4 [(4)] (6) The declaration may be recorded prior to the end of the 120-day period required under
5 subsection (1) of this section with the written consent of all tenants who received the notice of
6 conversion less than 120 days before the date of such consent.

7 [(5)] (7) The requirement under subsection (1) of this section to provide a copy of the notice of
8 conversion to new tenants shall not extend the 120-day period nor shall such tenant's consent be
9 required to record the declaration prior to the end of the 120-day period as provided for under
10 subsection [(4)] (6) of this section.

11 [(6)] (8) A notice of conversion [shall] **does** not constitute a notice to terminate the tenancy.

12 **SECTION 2.** ORS 100.315 is amended to read:

13 100.315. (1) The declarant [shall] **may** not begin improvements or rehabilitation or cause im-
14 provements or rehabilitation to be undertaken in a conversion condominium unit without the ten-
15 ant's permission during the 120-day notice period prescribed by ORS 100.305 (1).

16 (2) The declarant may begin improvements or rehabilitation or cause improvements or rehabili-
17 tation to be undertaken in the general common elements during the 120-day notice period. **Im-**
18 **provements to or rehabilitation of general common elements may be conducted only between**
19 **the hours of 8 a.m. and 5 p.m. Unless the declarant and tenant agree otherwise, the**
20 **declarant must allow each tenant safe and ready ingress to and egress from the tenant's**
21 **dwelling unit during the improvement or rehabilitation work.**

22 (3) **A tenant may bring an action against a declarant that violates subsection (2) of this**
23 **section to recover the greater of actual damages or the equivalent of one month's dwelling**
24 **unit rent.**

25 **SECTION 3.** ORS 91.225 is amended to read:

26 91.225. (1) The Legislative Assembly finds that there is a social and economic need to insure an
27 adequate supply of affordable housing for Oregonians. The Legislative Assembly also finds that the
28 imposition of general restrictions on housing rents will disrupt an orderly housing market, increase
29 deferred maintenance of existing housing stock, lead to abandonment of existing rental units and
30 create a property tax shift from rental-owned to owner-occupied housing. Therefore, the Legislative
31 Assembly declares that the imposition of rent control on housing in the State of Oregon is a matter
32 of statewide concern.

33 (2) Except as provided in subsections (3) to (5) of this section, a city or county shall not enact
34 any ordinance or resolution which controls the rent that may be charged for the rental of any
35 dwelling unit.

36 (3) This section does not impair the right of any state agency, city, county or urban renewal
37 agency as defined by ORS 457.035 to reserve to itself the right to approve rent increases, establish
38 base rents or establish limitations on rents on any residential property for which it has entered into
39 a contract under which certain benefits are applied to the property for the expressed purpose of
40 providing reduced rents for low income tenants. Such benefits include, but are not limited to, prop-
41 erty tax exemptions, long-term financing, rent subsidies, code enforcement procedures and zoning
42 density bonuses.

43 (4) Cities and counties are not prohibited from including in condominium conversion ordinances
44 a requirement that, during the notification period specified in ORS 100.305, the owner or developer
45 may not raise the rents of any affected tenant except *[in a proportional amount equal to the per-*

1 *centage increase in the All Items Portland Consumer Price Index since the date of the last rent increase*
2 *for the dwelling unit then occupied by the affected tenant] by an amount established by ordinance*
3 **that does not exceed the limit imposed by section 5 of this 2007 Act.**

4 (5) Cities, counties and state agencies may impose temporary rent controls when a natural or
5 man-made disaster that materially eliminates a significant portion of the rental housing supply oc-
6 curs, but must remove the controls when the rental housing supply is restored to substantially
7 normal levels.

8 (6) As used in this section, “dwelling unit” and “rent” have the meaning given those terms in
9 ORS 90.100.

10 (7) This section is applicable throughout this state and in all cities and counties therein. The
11 electors or the governing body of a city or county shall not enact, and the governing body shall not
12 enforce, any ordinance, resolution or other regulation that is inconsistent with this section.

13 **SECTION 4. Sections 5 and 6 of this 2007 Act are added to and made a part of ORS**
14 **chapter 90.**

15 **SECTION 5. (1) The landlord of a building for which a declarant of a conversion condo-**
16 **minium has issued the tenant a notice of conversion under ORS 100.305 may not:**

17 (a) Give the tenant a 30-day notice without stated cause that causes the tenancy to ter-
18minate on a date that is prior to the end of the 120-day period described in ORS 100.305 or
19the 60-day period described in ORS 100.310; or

20 (b) Increase the rent for the dwelling unit in excess of:

21 (A) Any scheduled increase provided for in a written rental agreement; or

22 (B) A percentage equal to the percentage increase in the Portland-Salem Consumer Price
23 Index for All Urban Consumers for All Items as reported by the United States Bureau of
24 Labor Statistics.

25 (2) A tenant may bring an action against a landlord that violates subsection (1) of this
26 section to recover the greater of:

27 (a) Six times the monthly rent for the dwelling unit; or

28 (b) Twice the actual damages to the tenant arising out of the termination.

29 **SECTION 6. (1) A tenant may bring an action against a building landlord if for the pur-**
30 **pose of avoiding, or assisting a declarant of a conversion condominium in avoiding, the re-**
31 **quirements under ORS 100.305 to 100.320:**

32 (a) Within one year before the declarant records the declaration under ORS 100.100, the
33 landlord gives a tenant a 30-day notice without stated cause; or

34 (b) Within one year before the declarant records the declaration under ORS 100.100, the
35 landlord increases the rent in excess of the percentage increase in the Portland-Salem Con-
36 sumer Price Index for All Urban Consumers for All Items as reported by the United States
37 Bureau of Labor Statistics.

38 (2) If a court finds that a landlord has taken an action described in subsection (1) of this
39 section for the purpose of avoiding, or assisting a declarant of a conversion condominium in
40 avoiding, the requirements under ORS 100.305 to 100.320, the court may award the tenant the
41 greater of:

42 (a) Six times the monthly rent for the dwelling unit; or

43 (b) Twice the actual damages to the tenant arising out of the termination or rent in-
44 crease.

45 (3) The time allowed under ORS 12.125 to commence an action under this section begins

1 on the date the declarant records the declaration under ORS 100.100.

2 **SECTION 7.** (1) Section 5 of this 2007 Act applies to rental agreement terminations and
3 rent increases occurring on or after the effective date of this 2007 Act.

4 (2) Section 6 of this 2007 Act applies to eviction notices served, and rent increases im-
5 posed, on or after the effective date of this 2007 Act.

6 (3) The amendments to ORS 100.315 by section 2 of this 2007 Act apply to improvement
7 or rehabilitation work on general common elements performed on or after the effective date
8 of this 2007 Act.

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