

# House Bill 3186

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 **as introduced**.

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. 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. 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,  
3 100.315 and 100.320.

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 landlord 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]*

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

23 **(D) State that financial assistance for purchasing the unit may be available;**

24 **(E) Give contact information for the local regional housing council or, if no regional**

**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 **housing council exists, for the Housing and Community Services Department; and**

2 **(F) State that the landlord may not terminate the tenancy without cause and may not**  
3 **unreasonably increase rent; and**

4 (e) Be hand delivered to the dwelling unit of the tenant or sent to the tenant at the address of  
5 the dwelling unit by certified mail, return receipt requested.

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

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

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

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

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

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

15 **(4)(a) The declarant shall send a copy of the notice of conversion, accompanied by the**  
16 **information described in paragraph (b) of this subsection, to:**

17 **(A) The mayor of the city in which the conversion condominium is located or, if the**  
18 **conversion condominium is not located in a city, to the county commission or county court;**  
19 **and**

20 **(B) The regional housing council or, if no regional housing council exists, to the depart-**  
21 **ment.**

22 **(b) The following information must be sent with the notice sent under paragraph (a) of**  
23 **this subsection:**

24 **(A) The address of the property.**

25 **(B) The number of existing dwelling units in the building.**

26 **(C) The number of currently occupied dwelling units in the building.**

27 **(D) The rents currently being charged for dwelling units in the building.**

28 **(E) The dates and amounts of the most recent rent increases for dwelling units in the**  
29 **building.**

30 **(F) A certification by the building landlord that as of the date of the certification no**  
31 **evictions or rent increases have taken place in violation of section 9 or 10 of this 2007 Act**  
32 **or a local ordinance.**

33 **(5) A notice of conversion that does not contain the information required by subsection**  
34 **(1)(a) to (d) of this section, or that is not sent to the public bodies described in subsection**  
35 **(4) of this section, does not begin the 120-day period required by subsection (1) of this section.**  
36 **Notwithstanding any prior delivery of a deficient notice of conversion, the 120-day period**  
37 **required by subsection (1) of this section does not begin until the date a valid notice is de-**  
38 **livered. A tenant or a local jurisdiction entitled to notice may bring an action for injunctive**  
39 **relief to prevent the conversion until the declarant has complied with the notice require-**  
40 **ment.**

41 [(4)] **(6) The declaration may be recorded prior to the end of the 120-day period required under**  
42 **subsection (1) of this section with the written consent of all tenants who received the notice of**  
43 **conversion less than 120 days before the date of such consent.**

44 [(5)] **(7) The requirement under subsection (1) of this section to provide a copy of the notice of**  
45 **conversion to new tenants shall not extend the 120-day period nor shall such tenant's consent be**

1 required to record the declaration prior to the end of the 120-day period as provided for under  
2 subsection [(4)] (6) of this section.

3 [(6)] (8) A notice of conversion [shall] **does** not constitute a notice to terminate the tenancy.

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

5 100.315. (1) The declarant [shall] **may** not begin improvements or rehabilitation or cause im-  
6 provements or rehabilitation to be undertaken in a conversion condominium unit without the ten-  
7 ant's permission during the 120-day notice period prescribed by ORS 100.305 (1).

8 (2) The declarant may begin improvements or rehabilitation or cause improvements or rehabili-  
9 tation to be undertaken in the general common elements during the 120-day notice period. **Im-**  
10 **provements to or rehabilitation of general common elements may be conducted only between**  
11 **the hours of 9 a.m. and 7 p.m. Unless the declarant and tenant agree otherwise, the**  
12 **declarant must allow a tenant reasonable access to and use of the common elements during**  
13 **the improvement or rehabilitation work.**

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

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

18 91.225. (1) The Legislative Assembly finds that there is a social and economic need to insure an  
19 adequate supply of affordable housing for Oregonians. The Legislative Assembly also finds that the  
20 imposition of general restrictions on housing rents will disrupt an orderly housing market, increase  
21 deferred maintenance of existing housing stock, lead to abandonment of existing rental units and  
22 create a property tax shift from rental-owned to owner-occupied housing. Therefore, the Legislative  
23 Assembly declares that the imposition of rent control on housing in the State of Oregon is a matter  
24 of statewide concern.

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

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

35 (4) Cities and counties are not prohibited from including in condominium conversion ordinances  
36 a requirement that, during the notification period specified in ORS 100.305, the owner or developer  
37 may not raise the rents of any affected tenant except [*in a proportional amount equal to the per-*  
38 *centage increase in the All Items Portland Consumer Price Index since the date of the last rent increase*  
39 *for the dwelling unit then occupied by the affected tenant*] **by an amount established by ordinance**  
40 **that does not exceed the limit imposed by section 9 of this 2007 Act.**

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

45 (6) As used in this section, "dwelling unit" and "rent" have the meaning given those terms in

1 ORS 90.100.

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

5 **SECTION 4.** ORS 100.320 is amended to read:

6 100.320. A city or county may adopt an ordinance that requires a declarant to pay, **in addition**  
 7 **to any payment required under section 6 of this 2007 Act**, the moving expense of a tenant va-  
 8 cating a conversion condominium unit.

9 **SECTION 5.** Sections 6 and 7 of this 2007 Act are added to and made a part of ORS 100.305  
 10 to 100.320.

11 **SECTION 6.** (1) In addition to any payment required under ORS 100.320, a declarant of a  
 12 conversion condominium that gives a building tenant a notice of conversion under ORS  
 13 100.305 shall pay to the tenant an amount equal to three times the Section 8 fair market  
 14 rent, adjusted for unit size and type, as established and periodically adjusted by the Secretary  
 15 of Housing and Urban Development under 42 U.S.C. 1437f. The declarant shall deliver the  
 16 payment to the tenant no later than 30 days after delivering a 120-day notice to the tenant  
 17 under ORS 100.305.

18 (2) If the tenant elects prior to the payment date to purchase the converted unit, the  
 19 declarant may reduce the purchase price of the unit by the payment amount instead of  
 20 making payment to the tenant. If the landlord fails to timely deliver payment to the tenant,  
 21 the period provided for in the notice of conversion does not expire until 90 days after the  
 22 landlord makes the payment. If the tenant ends the tenancy before payment is made, the  
 23 declarant remains responsible for the payment.

24 **SECTION 7.** ORS 100.305 to 100.320 do not preempt a local government from adopting an  
 25 ordinance that imposes requirements on the declarant of a conversion condominium, or on  
 26 the landlord of a building being converted, if the requirements adopted by ordinance are at  
 27 least as strict as the requirements imposed under ORS 100.305 to 100.320.

28 **SECTION 8.** Sections 9 and 10 of this 2007 Act are added to and made a part of ORS  
 29 chapter 90.

30 **SECTION 9.** (1) The landlord of a building for which a declarant of a conversion condo-  
 31 minium has issued the tenant a notice of conversion under ORS 100.305 may not:

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

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

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

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

40 (2) A tenant may bring an action against a landlord that violates subsection (1) of this  
 41 section to recover the 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.

44 **SECTION 10.** (1) There is a rebuttable presumption that a building landlord has acted to  
 45 avoid, or assist a declarant of a conversion condominium to avoid, the requirements under

1 **ORS 100.305 to 100.320 if, within 180 days before the declarant gives a notice of conversion**  
2 **for the building under ORS 100.305:**

3 (a) **The landlord gives a tenant a 30-day notice without stated cause; or**

4 (b) **The landlord increases the rent in excess of the percentage increase in the Portland-**  
5 **Salem Consumer Price Index for All Urban Consumers for All Items as reported by the**  
6 **United States Bureau of Labor Statistics.**

7 (2) **A tenant may bring an action against a landlord that acts as described in subsection**  
8 **(1) of this section to recover the greater of:**

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

10 (b) **Twice the actual damages to the tenant arising out of the termination or rent in-**  
11 **crease.**

12 **SECTION 11. (1) Section 6 of this 2007 Act and the amendments to ORS 100.305 by section**  
13 **1 of this 2007 Act apply to notices of conversion given to tenants on or after the effective**  
14 **date of this 2007 Act.**

15 (2) **Section 9 of this 2007 Act applies to rental agreement terminations and rent increases**  
16 **occurring on or after the effective date of this 2007 Act.**

17 (3) **Section 10 of this 2007 Act applies to eviction notices served, and rent increases im-**  
18 **posed, on or after the effective date of this 2007 Act.**

19 (4) **The amendments to ORS 100.315 by section 2 of this 2007 Act apply to improvement**  
20 **or rehabilitation work on general common elements performed on or after the effective date**  
21 **of this 2007 Act.**

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