

REVENUE: No revenue impact

FISCAL: No fiscal impact

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| Action: | Do Pass as Amended and Be Printed Engrossed |
| Vote: | 8 - 0 - 2 |
| Yeas: | Cowan, Krieger, Matthews, Riley, Tomei, Weidner, Wingard, Holvey |
| Nays: | 0 |
| Exc.: | Barton, Gilliam |
| Prepared By: | Victoria Cox, Administrator |
| Meeting Dates: | 5/20, 5/22 |

WHAT THE MEASURE DOES: Strengthens the rights of tenants living in property subject to foreclosure sale. Includes provisions to: require that tenants in good standing receive advance notice of foreclosure proceedings with specific information regarding tenants' rights; allow tenants with fixed-term leases to stay after the foreclosure sale for the earlier of 60 days or until the lease expires, except when the purchaser intends to live on the property, in which case only 30 days' notice is required; provide tenants with weekly or monthly agreements with notice of the intent to evict 30 days after the date of the foreclosure sale; allow tenants receiving notice of foreclosure to apply pre-paid security deposits towards ongoing rent obligations (and relieves purchaser of any obligations to return security deposits); and, clarify that purchasers do not become "landlords" unless they accept rent from the tenant, enter into a new rental agreement, or fail to terminate the tenancy as provided by this bill. Declares an emergency; effective 60 days after passage.

ISSUES DISCUSSED:

- Effect of foreclosures on tenants
- Time required to relocate
- Purchasers wishing to occupy dwelling
- Fair disposition of tenant deposits

EFFECT OF COMMITTEE AMENDMENT: Clarifies types of tenancies to which the bill applies. Allows purchaser to evict tenant for outrageous conduct. Requires notice of foreclosure sale to include tenants' rights under state and federal law. Postpones effective date of bill 60 days. Clarifies purchaser liability for security deposit and damages.

BACKGROUND: Under current law (ORS 86.755), when a property is foreclosed, a tenant must be given 30 days' notice of the intent to remove that person. Current law allows that notice to be provided 30 days before the date first set for the sale, which can lead to a tenant moving out long before the foreclosure actually transpires. This bill changes the eviction notice timelines so they trigger from the actual date of the foreclosure sale.

Current foreclosure law essentially wipes out any rights the tenants had, and treats all tenants equally with no additional protection for tenants with leases. Current law also is silent on the subject of pre-paid security deposits, which can result in tenants being evicted from foreclosed properties, unable to recover their security deposits from insolvent landlords.