

**HB 2004 B STAFF MEASURE SUMMARY**

**Carrier:** Sen. Gelser

**Senate Committee On Human Services**

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**Action Date:** 05/31/17  
**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)  
**Vote:** 3-1-1-0  
**Yeas:** 3 - Dembrow, Gelser, Monnes Anderson  
**Nays:** 1 - Knopp  
**Exc:** 1 - Olsen  
**Fiscal:** Has minimal fiscal impact  
**Revenue:** No revenue impact  
**Prepared By:** Matt Doumit, LPRO Analyst

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**WHAT THE MEASURE DOES:**

Permits landlord to terminate month-to-month tenancy without cause in first nine months of occupancy with 30 days notice, except for within 60 days of receiving specified repair request. Requires cause and 30 days notice when landlord terminates month-to-month tenancy after nine months. Specifies exceptions and requirements for use.

Permits tenant to terminate fixed term tenancy without cause with 30 days notice. Permits landlord to terminate fixed term only for cause, and requires they give notice regarding expiration or renewal of fixed term tenancy within 90 days of end of term. Requires fixed term convert to month-to-month if landlord fails to give specified notice and tenant does not terminate. Establishes penalties for violations and one year statute of limitations.

Permits certain landlords living on property to terminate tenancy without cause with 30 days notice during first year of tenancy or 60 days notice thereafter. Restricts landlord from increasing rent more than once in 12-month period for month-to-month tenancies. Sets effective dates for fixed term tenancies entered or renewed on or after measure takes effect and 30 days later for month-to-month tenancies. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Immediate statewide concern over housing stability and affordability
- Impact of "no cause evictions" and increasing rents on tenants and communities
- Available tools for landlords to manage properties and impact of measure on landlords
- Provisions of House amendments and local governments' capacity to determine fair rates of return
- Provisions of Senate amendments
- Impact of previous state policies on housing affordability

**EFFECT OF AMENDMENT:**

For month-to-month tenancy, permits landlord to terminate tenancy in first nine months with 30 days notice, except within 60 days of specified tenant repair request. After first nine months of tenancy, permits landlord to terminate only for cause with notice or under specified good faith exceptions with 90 days notice. Establishes notice requirements and tenancy termination fees.

For fixed term tenancy, permits tenant to terminate without cause with 30 days notice. Permits landlord to terminate only for cause, and requires minimum six-month fixed term, unless tenant requests shorter. Requires landlord to provide notice of expiration of tenancy or option to renew within 90 days of end of term. Requires fixed term automatically convert to month-to-month if landlord fails to give specified notice or tenant fails to terminate.

## **HB 2004 B STAFF MEASURE SUMMARY**

Permits certain landlords living on property to terminate tenancies without cause with 30 days notice during first year or 60 days notice thereafter. Establishes penalties for violations and statute of limitations. Prohibits landlord from increasing rent on month-to-month tenancy more than once every 12 months.

### **BACKGROUND:**

Oregon state law allows both landlords and tenants to terminate month-to-month tenancies with 30 days notice (some localities, like Portland, have imposed different notice requirements). Fixed term tenancies can be terminated without cause by either landlords or tenants at any time during a tenancy with 30 days notice prior to the end of the term or 60 days notice after the end of the term. State law prohibits cities and counties from enacting rent control ordinances, and there are no restrictions on the number of times a landlord can increase rent during a month-to-month tenancy.

House Bill 2004-B permits landlords to terminate month-to-month tenancies without cause, with 30 days notice, at any time during the first nine months of occupancy (except when a tenant has requested specified repairs in the previous 60 days); after the first nine months, 30 days notice is still required, but landlords must provide cause. Landlords must also provide cause with 30 days notice prior to terminating a fixed term tenancy, and fixed term tenancies must be a minimum of six months unless a shorter term is requested by the tenant. The measure permits a landlord living on the same property with two rental units or less to terminate tenancies without cause, with 30 days notice, at any time during the first year of the tenancy, and with 60 days notice after.

House Bill 2004-B permits both month-to-month tenants and fixed term tenants to terminate a tenancy at any time without cause, with 30 days notice. It also requires fixed term tenancies to become month-to-month at the end of the term if the landlord fails to provide notice of termination upon expiration of the term or offer a renewal, or if the tenant otherwise fails to terminate. The measure requires landlords to give notice of the expiration of a fixed term tenancy or offer to renew it with at least 90 days left in the term.

House Bill 2004-B also provides exceptions for landlords to provide cause for terminating month-to-month tenancies after nine months with 90 days notice. Exceptions include good faith efforts to: renovate or repair units unfit to occupy or where work would render unit unfit to occupy; demolish or convert the unit to nonresidential use; sell the unit (with specified notice) as a primary residence; list a unit for sale that reasonably needs to be unoccupied to sell; or use the unit as the landlord's or immediate family's primary residence if the landlord does not own a comparable unoccupied unit. Landlords are required to provide notice of the exception used, and landlords with five or more units must pay the tenant one month's rent. Landlords using a repair or renovation exemption must give the previous tenant a chance to renew before offering the repaired unit to another.

House Bill 2004-B requires landlords violating its provisions to pay three months' rent plus damages to the tenant. Tenants can also use violations as a defense against possession actions. Finally, the measure restricts landlords in month-to-month tenancies from increasing rents more than once in a 12-month period.