

**HB 2004 C STAFF MEASURE SUMMARY****Carrier:** Sen. Gelser**Senate Committee On Rules****Action Date:** 06/28/17**Action:** Do pass with amendments to the B-Eng bill. (Printed C-Eng.)**Vote:** 3-2-0-0**Yeas:** 3 - Beyer, Burdick, Roblan**Nays:** 2 - Boquist, Ferrioli**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Cherie Stone, LPRO Analyst**WHAT THE MEASURE DOES:**

Permits landlord to terminate month-to-month tenancy without cause in first year 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 first year. 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 termination upon ending date, renewal of fixed term, or entry into month-to-month within 90 days of end of fixed term. Provides that fixed term converts to month-to-month if landlord fails to give specified notice and tenant does not terminate, and that fixed term terminates if landlord gives specified notice and tenant fails to renew or enter month-to-month tenancy. Establishes penalties for violations.

Permits certain landlords living on property to terminate month-to-month 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. Takes effect 91st day following adjournment *sine die*.

**ISSUES DISCUSSED:**

- Effect of amendment

**EFFECT OF AMENDMENT:**

Permits landlord to terminate month-to-month tenancy at any time with 30-day notice within first year of occupancy, and only terminate for cause thereafter. Requires tenant give 45-day notice to begin month-to-month after expiration of fixed term tenancy, after landlord issues specified 90-day notice of fixed term expiration. Provides that fixed term will terminate without further notice if landlord provides specified notice and tenant fails to renew or enter into month-to-month tenancy.

Modifies exceptions to landlord termination of month-to-month after first year of occupancy to include good faith repairs or renovations rendering unit unfit to inhabit or intent to repair unit that is unsafe, and removes requirement that former tenant be offered renewal upon work completion. Modifies notice requirements for landlord to terminate month-to-month in first year of occupancy for good faith sale of unit as primary residence or listing of unit for sale that reasonably must be unoccupied to sell. Exempts landlords who own four or fewer units from notice and termination fee requirements for terminating under specified exceptions.

Permits landlord living on same specified property as tenant's unit to terminate month-to-month within first year of occupancy with 30-day notice, and 60-day notice thereafter. Removes similar exception for fixed term. Modifies penalties for violation to two month's rent or twice actual damages to tenant. Removes specified statute of

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limitation. Effective on 91st day following adjournment *sine die*.

### **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-C permits landlords to terminate month-to-month tenancies without cause, with 30 days notice, at any time during the first year of occupancy (except when a tenant has requested specified repairs in the previous 60 days); after the first year, 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 units or less, to terminate month-to-month tenancies without cause, with 30 days notice, at any time during the first year of the tenancy, and with 60 days notice thereafter.

House Bill 2004-C permits both month-to-month tenants and fixed term tenants to terminate a tenancy at any time without cause, with 30 days notice. The measure requires landlords to give notice of the end date of a fixed term tenancy, offer to renew the fixed term, or offer to enter into a month-to-month with at least 90 days left in the term. It 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. If the landlord gives proper notice and the tenant fails to renew or enter a month-to-month, the tenancy terminates at the end of the term without further notice.

House Bill 2004-C provides exceptions for landlords to provide cause for terminating month-to-month tenancies after the first year with 90 days notice. Exceptions include good faith efforts to: renovate or repair units unfit to occupy or where work would render the 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 facilitate the sale (with specified notice); or use the unit as the landlord's or immediate family's primary residence if the landlord does not own a comparable unoccupied unit. In addition, the measure requires landlords to provide notice of the exception used, and landlords owning five or more units must pay the tenant one month's rent.

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