Senate Bill 880

Sponsored by Senators JOHNSON, OLSEN

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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**.

Permits landlord with cause to terminate tenancy for manufactured dwelling to give tenant courtesy notice of violation and opportunity to correct violation prior to giving notice to terminate tenancy.

A BILL FOR AN ACT

Relating to procedures to correct violation by tenant; creating new provisions; and amending ORS
 90.412, 90.630 and 90.632.

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

5 <u>SECTION 1.</u> Section 2 of this 2017 Act is added to and made a part of ORS 90.505 to 90.850.

6 SECTION 2. (1) A landlord with cause to terminate a month-to-month or fixed term

7 tenancy for a manufactured dwelling under ORS 90.630 (1)(a) to (c) or 90.632 may negotiate

8 with the tenant to correct the violation as provided by this section.

9 (2) Prior to giving the tenant notice to terminate the tenancy, a landlord may give the 10 tenant a courtesy notice of violation that:

(a) States the violation that is the cause for the courtesy notice of violation, supported
by a statement of facts, photographs or both;

(b) States that the landlord is providing the courtesy notice of violation in an effort to
 avoid giving the tenant a notice to terminate the tenancy under ORS 90.630 or 90.632;

15 (c) Describes the actions required to correct the violation;

(d) Sets a deadline, not less than 30 days from the date of the courtesy notice of violation,
by which the tenant must correct the violation to avoid receiving a notice to terminate the
tenancy under ORS 90.630 or 90.632; and

(e) States that the landlord will negotiate with the tenant to agree on an extension to the
 deadline described in paragraph (d) of this subsection.

(3) If the tenant does not correct the violation by the deadline described in subsection
(2)(d) of this section or by the extension described in subsection (2)(e) of this section, the
landlord shall give the tenant a written notice of continued violation stating:

(a) That the tenant must correct the violation identified in the courtesy notice of vio lation within 60 days of the date of the notice of continued violation; and

(b) If the tenant fails to correct the violation as required by paragraph (a) of this subsection, the landlord will give the tenant a notice to terminate the tenancy under ORS 90.630
or 90.632.

(4) Notwithstanding ORS 90.412, a landlord that accepts payment of rent from a tenant
 after giving the tenant a courtesy notice of violation or a notice of continued violation under
 this section does not waive the right to terminate the tenancy under ORS 90.630 or 90.632 if

1 the tenant fails to correct the violation by the deadline.

2 (5) If a tenant corrects a violation under this section, the landlord may not terminate the 3 tenancy under ORS 90.630 (4) or 90.632 (5) for recurrence of substantially the same violation.

4 **SECTION 3.** ORS 90.630 is amended to read:

5 90.630. (1) Except as provided in subsection (4) of this section **and section 2 of this 2017 Act**, 6 the landlord may terminate a rental agreement that is a month-to-month or fixed term tenancy for 7 space for a manufactured dwelling or floating home by giving to the tenant not less than 30 days' 8 notice in writing before the date designated in the notice for termination if the tenant:

9 (a) Violates a law or ordinance related to the tenant's conduct as a tenant, including but not
10 limited to a material noncompliance with ORS 90.740;

(b) Violates a rule or rental agreement provision related to the tenant's conduct as a tenant and
imposed as a condition of occupancy, including but not limited to a material noncompliance with a
rental agreement regarding a program of recovery in drug and alcohol free housing;

(c) Violates a law, ordinance, rule or rental agreement provision related to maintenance
 of a space for a manufactured dwelling;

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[(c)] (d) Is classified as a level three sex offender under ORS 163A.100 (3);

[(d)] (e) Is an unclassified adult sex offender designated as predatory prior to January 1, 2014,
or a person whom the State Board of Parole and Post-Prison Supervision, the Psychiatric Security
Review Board or the Oregon Health Authority has classified as a level three sex offender under
section 7 (2)(b), chapter 708, Oregon Laws 2013; or

21 [(e)] (f) Fails to pay a:

22 (A) Late charge pursuant to ORS 90.260;

23 (B) Fee pursuant to ORS 90.302; or

24 (C) Utility or service charge pursuant to ORS 90.534 or 90.536.

(2) A violation making a tenant subject to termination under subsection (1) of this section [*includes a tenant's failure to maintain the space as required by law, ordinance, rental agreement or rule, but*] does not include the physical condition of the dwelling or home. Termination of a rental agreement based upon the physical condition of a dwelling or home shall only be as provided in ORS 90.632.

30 (3) Except as provided in subsection (5) of this section, the notice required by subsection (1) 31 of this section shall state facts sufficient to notify the tenant of the reasons for termination of the 32 tenancy and state that the tenant may avoid termination by correcting the violation as provided in 33 subsection (4) of this section.

(4) Except as provided in subsection (5) of this section, the tenant may avoid termination of the tenancy by correcting the violation within the 30-day period specified in subsection (1) of this section. However, if substantially the same act or omission that constituted a prior violation of which notice was given recurs within six months after the date of the notice, the landlord may terminate the tenancy upon at least 20 days' written notice specifying the violation and the date of termination of the tenancy.

40 (5) Notwithstanding subsection (3) or (4) of this section, a tenant who is given a notice of ter-41 mination under subsection [(1)(c)] (1)(d) of this section does not have a right to correct the violation. 42 A notice given to a tenant under subsection [(1)(c)] (1)(d) of this section must state that the tenant 43 does not have a right to avoid the termination.

(6) This section does not limit a landlord's right to terminate a tenancy for nonpayment of rent
 under ORS 90.394 or for other cause under ORS 90.380 (5)(b), 90.396, 90.398 or 90.632 by complying

1 with ORS 105.105 to 105.168.

2 (7) A tenancy terminates on the date designated in the notice and without regard to the expi-3 ration of the period for which, by the terms of the rental agreement, rents are to be paid. Unless 4 otherwise agreed, rent is uniformly apportionable from day to day.

5 (8) Notwithstanding any other provision of this section or ORS 90.394, 90.396 or 90.398, the 6 landlord may terminate the rental agreement for space for a manufactured dwelling or floating home 7 because of repeated late payment of rent by giving the tenant not less than 30 days' notice in 8 writing before the date designated in that notice for termination and may take possession as pro-9 vided in ORS 105.105 to 105.168 if:

(a) The tenant has not paid the monthly rent prior to the eighth day of the rental period as
described in ORS 90.394 (2)(a) or the fifth day of the rental period as described in ORS 90.394 (2)(b)
in at least three of the preceding 12 months and the landlord has given the tenant a nonpayment
of rent termination notice pursuant to ORS 90.394 (2) during each of those three instances of nonpayment;

(b) The landlord warns the tenant of the risk of a 30-day notice for termination with no right to correct the cause, upon the occurrence of a third nonpayment of rent termination notice within a 12-month period. The warning must be contained in at least two nonpayment of rent termination notices that precede the third notice within a 12-month period or in separate written notices that are given concurrent with, or a reasonable time after, each of the two nonpayment of rent termination notices; and

(c) The 30-day notice of termination states facts sufficient to notify the tenant of the cause for
 termination of the tenancy and is given to the tenant concurrent with or after the third or a sub sequent nonpayment of rent termination notice.

(9) Notwithstanding subsection (4) of this section, a tenant who receives a 30-day notice of ter mination pursuant to subsection (8) of this section does not have a right to correct the cause for the
 notice.

(10) The landlord may give a copy of the notice required by subsection (8) of this section to any lienholder of the manufactured dwelling or floating home by first class mail with certificate of mailing or by any other method allowed by ORS 90.150 (2) and (3). A landlord is not liable to a tenant for any damages incurred by the tenant as a result of the landlord giving a copy of the notice in good faith to a lienholder. A lienholder's rights and obligations regarding an abandoned manufactured dwelling or floating home shall be as provided under ORS 90.675.

33 <u>SECTION 4.</u> ORS 90.630, as amended by section 22, chapter 820, Oregon Laws 2015, is amended
 34 to read:

90.630. (1) Except as provided in subsection (4) of this section and section 2 of this 2017 Act, the landlord may terminate a rental agreement that is a month-to-month or fixed term tenancy for space for a manufactured dwelling or floating home by giving to the tenant not less than 30 days' notice in writing before the date designated in the notice for termination if the tenant:

(a) Violates a law or ordinance related to the tenant's conduct as a tenant, including but not
limited to a material noncompliance with ORS 90.740;

(b) Violates a rule or rental agreement provision related to the tenant's conduct as a tenant and
imposed as a condition of occupancy, including but not limited to a material noncompliance with a
rental agreement regarding a program of recovery in drug and alcohol free housing;

44 (c) Violates a law, ordinance, rule or rental agreement provision related to maintenance
 45 of a space for a manufactured dwelling;

1 [(c)] (d) Is classified as a level three sex offender under ORS 163A.100 (3); or

2 [(d)] (e) Fails to pay a:

- 3 (A) Late charge pursuant to ORS 90.260;
- 4 (B) Fee pursuant to ORS 90.302; or
- 5 (C) Utility or service charge pursuant to ORS 90.534 or 90.536.

6 (2) A violation making a tenant subject to termination under subsection (1) of this section [*in-*7 *cludes a tenant's failure to maintain the space as required by law, ordinance, rental agreement or rule,* 8 *but*] does not include the physical condition of the dwelling or home. Termination of a rental 9 agreement based upon the physical condition of a dwelling or home shall only be as provided in ORS 10 90.632.

(3) Except as provided in subsection (5) of this section, the notice required by subsection (1) of this section shall state facts sufficient to notify the tenant of the reasons for termination of the tenancy and state that the tenant may avoid termination by correcting the violation as provided in subsection (4) of this section.

15 (4) Except as provided in subsection (5) of this section, the tenant may avoid termination 16 of the tenancy by correcting the violation within the 30-day period specified in subsection (1) of this 17 section. However, if substantially the same act or omission that constituted a prior violation of 18 which notice was given recurs within six months after the date of the notice, the landlord may ter-19 minate the tenancy upon at least 20 days' written notice specifying the violation and the date of 20 termination of the tenancy.

(5) Notwithstanding subsection (3) or (4) of this section, a tenant who is given a notice of termination under subsection [(1)(c)] (1)(d) of this section does not have a right to correct the violation. A notice given to a tenant under subsection [(1)(c)] (1)(d) of this section must state that the tenant does not have a right to avoid the termination.

(6) This section does not limit a landlord's right to terminate a tenancy for nonpayment of rent
under ORS 90.394 or for other cause under ORS 90.380 (5)(b), 90.396, 90.398 or 90.632 by complying
with ORS 105.105 to 105.168.

(7) A tenancy terminates on the date designated in the notice and without regard to the expiration of the period for which, by the terms of the rental agreement, rents are to be paid. Unless
otherwise agreed, rent is uniformly apportionable from day to day.

(8) Notwithstanding any other provision of this section or ORS 90.394, 90.396 or 90.398, the
landlord may terminate the rental agreement for space for a manufactured dwelling or floating home
because of repeated late payment of rent by giving the tenant not less than 30 days' notice in
writing before the date designated in that notice for termination and may take possession as provided in ORS 105.105 to 105.168 if:

(a) The tenant has not paid the monthly rent prior to the eighth day of the rental period as
described in ORS 90.394 (2)(a) or the fifth day of the rental period as described in ORS 90.394 (2)(b)
in at least three of the preceding 12 months and the landlord has given the tenant a nonpayment
of rent termination notice pursuant to ORS 90.394 (2) during each of those three instances of nonpayment;

(b) The landlord warns the tenant of the risk of a 30-day notice for termination with no right to correct the cause, upon the occurrence of a third nonpayment of rent termination notice within a 12-month period. The warning must be contained in at least two nonpayment of rent termination notices that precede the third notice within a 12-month period or in separate written notices that are given concurrent with, or a reasonable time after, each of the two nonpayment of rent termi1 nation notices; and

2 (c) The 30-day notice of termination states facts sufficient to notify the tenant of the cause for 3 termination of the tenancy and is given to the tenant concurrent with or after the third or a sub-4 sequent nonpayment of rent termination notice.

5 (9) Notwithstanding subsection (4) of this section, a tenant who receives a 30-day notice of ter-6 mination pursuant to subsection (8) of this section does not have a right to correct the cause for the 7 notice.

8 (10) The landlord may give a copy of the notice required by subsection (8) of this section to any 9 lienholder of the manufactured dwelling or floating home by first class mail with certificate of 10 mailing or by any other method allowed by ORS 90.150 (2) and (3). A landlord is not liable to a 11 tenant for any damages incurred by the tenant as a result of the landlord giving a copy of the notice 12 in good faith to a lienholder. A lienholder's rights and obligations regarding an abandoned manu-13 factured dwelling or floating home shall be as provided under ORS 90.675.

14 **SECTION 5.** ORS 90.632 is amended to read:

90.632. (1) Except as provided in section 2 of this 2017 Act, a landlord may terminate a month-to-month or fixed term rental agreement and require the tenant to remove a manufactured dwelling or floating home from a facility, due to the physical condition of the manufactured dwelling or floating home, only by complying with this section and ORS 105.105 to 105.168. A termination shall include removal of the dwelling or home.

(2) A landlord may not require removal of a manufactured dwelling or floating home, or consider
a dwelling or home to be in disrepair or deteriorated, because of the age, size, style or original
construction material of the dwelling or home or because the dwelling or home was built prior to
adoption of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42
U.S.C. 5403), in compliance with the standards of that Act in effect at that time or in compliance
with the state building code as defined in ORS 455.010.

(3) Except as provided in subsection (5) of this section, if the tenant's dwelling or home is in disrepair or is deteriorated, a landlord may terminate a rental agreement and require the removal of a dwelling or home by giving to the tenant not less than 30 days' written notice before the date designated in the notice for termination.

(4) The notice required by subsection (3) of this section must:

(a) State facts sufficient to notify the tenant of the causes or reasons for termination of the
 tenancy and removal of the dwelling or home;

(b) State that the tenant can avoid termination and removal by correcting the cause for termi nation and removal within the notice period;

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(c) Describe what is required to correct the cause for termination;

(d) Describe the tenant's right to give the landlord a written notice of correction, where to give
the notice and the deadline for giving the notice in order to ensure a response by the landlord, all
as provided by subsection (6) of this section; and

(e) Describe the tenant's right to have the termination and correction period extended as pro vided by subsection (7) of this section.

(5) The tenant may avoid termination of the tenancy by correcting the cause within the period specified. However, if substantially the same condition that constituted a prior cause for termination of which notice was given recurs within 12 months after the date of the notice, the landlord may terminate the tenancy and require the removal of the dwelling or home upon at least 30 days' written notice specifying the violation and the date of termination of the tenancy.

1 (6) During the termination notice or extension period, the tenant may give the landlord written 2 notice that the tenant has corrected the cause for termination. Within a reasonable time after the 3 tenant's notice of correction, the landlord shall respond to the tenant in writing, stating whether the 4 landlord agrees that the cause has been corrected. If the tenant's notice of correction is given at 5 least 14 days prior to the end of the termination notice or extension period, failure by the landlord 6 to respond as required by this subsection is a defense to a termination based upon the landlord's 7 notice for termination.

8 (7) Except when the disrepair or deterioration creates a risk of imminent and serious harm to 9 other dwellings, homes or persons within the facility, the 30-day period provided for the tenant to 10 correct the cause for termination and removal shall be extended by at least:

(a) An additional 60 days if:

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(A) The necessary correction involves exterior painting, roof repair, concrete pouring or similar
 work and the weather prevents that work during a substantial portion of the 30-day period; or

(B) The nature or extent of the correction work is such that it cannot reasonably be completed
within 30 days because of factors such as the amount of work necessary, the type and complexity
of the work and the availability of necessary repair persons; or

(b) An additional six months if the disrepair or deterioration has existed for more than the preceding 12 months with the landlord's knowledge or acceptance as described in ORS 90.412.

(8) In order to have the period for correction extended as provided in subsection (7) of this section, a tenant must give the landlord written notice describing the necessity for an extension in order to complete the correction work. The notice must be given a reasonable amount of time prior to the end of the notice for termination period.

(9) A tenancy terminates on the date designated in the notice and without regard to the expiration of the period for which, by the terms of the rental agreement, rents are to be paid. Unless
otherwise agreed, rent is uniformly apportionable from day to day.

(10) This section does not limit a landlord's right to terminate a tenancy for nonpayment of rent
under ORS 90.394 or for other cause under ORS 90.380 (5)(b), 90.396, 90.398 or 90.630 by complying
with ORS 105.105 to 105.168.

(11) A landlord may give a copy of the notice for termination required by this section to any lienholder of the dwelling or home, by first class mail with certificate of mailing or by any other method allowed by ORS 90.150 (2) and (3). A landlord is not liable to a tenant for any damages incurred by the tenant as a result of the landlord giving a copy of the notice in good faith to a lienholder.

(12) When a tenant has been given a notice for termination pursuant to this section and has subsequently abandoned the dwelling or home as described in ORS 90.675, any lienholder shall have the same rights as provided by ORS 90.675, including the right to correct the cause of the notice, within the 90-day period provided by ORS 90.675 (20) notwithstanding the expiration of the notice period provided by this section for the tenant to correct the cause.

39 **SECTION 6.** ORS 90.412 is amended to read:

40 90.412. (1) As used in this section and ORS 90.414 and 90.417, "rent" does not include funds paid 41 to a landlord:

42 (a) Under the United States Housing Act of 1937 (42 U.S.C. 1437f).

43 (b) By any other local, state or federal housing assistance program.

44 (2) Except as otherwise provided in this section **and section 2 of this 2017 Act**, a landlord 45 waives the right to terminate a rental agreement for a particular violation of the rental agreement

or of law if the landlord: 1 2 (a) During three or more separate rental periods, accepts rent with knowledge of the violation by the tenant; or 3 (b) Accepts performance by a tenant that varies from the terms of the rental agreement. 4 $\mathbf{5}$ (3) A landlord has not accepted rent for purposes of subsection (2) of this section if: (a) Within 10 days after receipt of the rent payment, the landlord refunds the rent; or 6 (b) The rent payment is made in the form of a check that is dishonored. 7 (4) A landlord does not waive the right to terminate a rental agreement for a violation under 8 9 any of the following circumstances: 10 (a) The landlord and tenant agree otherwise after the violation has occurred. 11 (b) The violation concerns the tenant's conduct and, following the violation but prior to ac-12 ceptance of rent for three rental periods or performance as described in subsection (2) of this sec-13 tion, the landlord gives a written warning notice to the tenant regarding the violation that: (A) Describes specifically the conduct that constitutes the violation, either as a separate and 14 15 distinct violation, a series or group of violations or a continuous or ongoing violation; 16 (B) States that the tenant is required to discontinue the conduct or correct the violation; and (C) States that a reoccurrence of the conduct that constitutes a violation may result in a ter-17 18 mination of the tenancy pursuant to ORS 90.392, 90.398, 90.405 or 90.630. 19 (c) The violation concerns the tenant's failure to pay money owed to the landlord for damage to the premises, damage to any other structure located upon the grounds, utility charges, fees or 20deposits and, following the violation but prior to the acceptance of rent for three rental periods or 2122performance as described in subsection (2) of this section, the landlord gives a written warning no-23 tice to the tenant regarding the violation that: (A) Describes specifically the basis of the claim and the amount of money owed that constitutes 94 the violation: 25(B) States that the tenant is required to correct the violation by paying the money owed; and 2627(C) States that continued nonpayment of the money owed that constitutes a violation may result in a termination of the tenancy pursuant to ORS 90.392. 28(d) The tenancy consists of rented space for a manufactured dwelling or floating home as de-2930 scribed in ORS 90.505, and the violation concerns: 31 (A) Disrepair or deterioration of the manufactured dwelling or floating home pursuant to ORS 90.632; or 32(B) A failure to maintain the rented space, as provided by ORS 90.740 (2), (4)(b) and (4)(h) and 33 34 (i). (e) The termination is under ORS 90.396. 35(f) The landlord accepts: 36 37 (A) A last month's rent deposit collected at the beginning of the tenancy, regardless of whether the deposit covers a period beyond a termination date; 38 (B) Rent distributed pursuant to a court order releasing money paid into court as provided by 39 40 ORS 90.370 (1); or (C) Rent paid for a rent obligation not yet due and paid more than one rental period in advance. 41 (5)(a) For a continuous or ongoing violation, the landlord's written warning notice under sub-42 section (4)(b) of this section remains effective for 12 months and may be renewed with a new warn-43 ing notice before the end of the 12 months. 44

45 (b) For a violation concerning the tenant's failure to pay money owed to the landlord, the

1 landlord's written warning notice under subsection (4)(c) of this section remains effective for 12

2 months from the date of the tenant's failure to pay the money owed.

3 (6) A landlord that must refund rent under this section shall make the refund to the tenant or 4 other payer by personal delivery or first class mail. The refund may be in the form of the tenant's 5 or other payer's check or in any other form of check or money.

6 <u>SECTION 7.</u> Section 2 of this 2017 Act and the amendments to ORS 90.412, 90.630 and 7 90.632 by sections 3 to 6 of this 2017 Act apply to notices dated on or after the effective date 8 of this 2017 Act.

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