

LC 90 (6/19/20) STAFF MEASURE SUMMARY

Joint Interim Committee on the First Special Session of 2020

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WHAT THE MEASURE DOES:

Makes legislative findings and declarations regarding potential impact to state contracts. Defines “emergency period,” “nonpayment,” and “nonpayment balance” for residential and commercial evictions. Prohibits and restricts landlords from taking specified actions based on a tenant’s nonpayment balance during the emergency period. Specifies a landlord shall apply payments received from a tenant to the tenant’s nonpayment balance. Authorizes landlord to send written notice to tenant reflecting status of rent due. Establishes that tenants may not defer payment of nonpayment balances for more than 90 days. Authorizes tenant injunctive relief for landlord violation of moratorium restrictions. Repeals evictions restrictions 270 days after declaration of state of emergency was issued by the Governor.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

According to Oregon Housing and Community Services (OHCS), prior to the COVID-19 pandemic, 27 percent of Oregon renter households were severely housing cost burdened, meaning that they spent more than half their income on rent. As a result of the recent pandemic, tenants impacted financially due to unemployment and lost wages have either missed rent payments or leveraged economic impact payments, savings, and unemployment benefits to meet rent demands. OHCS surveyed affordable housing providers across the state in May 2020 and estimates that 11.6 percent of rent payments were not made in that month.

The federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) allows eligible homeowners who suffer a financial hardship due to COVID-19 to enter forbearance and temporarily suspend or reduce their mortgage payments. It is estimated that four million homeowners have already applied for mortgage forbearance. According to the National Conference of State Legislatures, nearly a dozen states have introduced consumer protection legislation to provide temporary relief from evictions and foreclosures of residential and commercial properties during COVID-19; several other states have provided similar protection through executive or judicial orders.

LC 90 restricts landlords from actions against tenants due to late or nonpayment of rent during the Governor’s declared emergency period.