

**Detailed Summary of SB 586A with the A-4 House Amendments
2019 Manufactured Home Landlord/Tenant Coalition Consensus Bill
May 16, 2019**

Background: Please also see the separate document, “High Level Summary of SB 586A with House Amendments,” for an explanation of how the bill was developed.

Although not a complete “gut and stuff,” the A-4 amendments (5/16/19) are close. Only a handful of the original sections of SB 568 stand alone from the A-4 amendments (Sections 2, 17, 25, 32 and 34), and only a couple more are a combination of SB 568A and the A-4 (Sections 26 through 31, 33, and 35). The rest are entirely in the A-4.

In addition, many of the sections are not substantive, either because they just involve a name change (Sections 1, 2, 3, 6, and 57 through 64) or because they are changes to cross-references or make conforming amendments (Sections 17, 50, 51, 52, 54, 55, 56, 65, and 67 through 71). The name changes are necessary because the amended bill will add marina tenancies – floating homes – to the duties and programs of the Manufactured Communities Resource Center, a name that therefore no longer works.

SB 586 AS AMENDED BY THE A-4 AMENDMENTS WILL COVER FIVE SUBSTANTIVE AREAS (unless otherwise noted, SECTION number references are to the A-4 amendments):

1. Floating home tenancies in marinas:

- Adds marina tenancies (there are about 1500 floating home tenants in Oregon) to several provisions currently applicable only to manufactured home park tenancies:
 - Marina landlords and tenants will pay an annual fee to be able to benefit from the education and the mediation programs currently available to parks through Oregon Housing & Community Services. (SECTIONS 5 and 23)
 - Marina landlords will register with OHCS and be required to get continuing education re: landlord/tenant laws. (SECTIONS 18 to 20 and 22)
 - Existing Opportunity to Purchase statutes will apply to marinas. (SECTIONS 25 to 31, of both SB 586A and the A-4 amendments)
- Provides a longer repair period for floating homes with needed repairs to the floats. (SECTION 34 of SB 586A)
- Allows a marina tenant to require a longer storage period after a tenancy ends before a landlord sells or disposes of the floating home. (SECTION 36)
- Allows marina landlords to require a marina tenant to temporarily move the tenant’s floating home within the marina in certain circumstances, at the landlord’s expense. (SECTION 33 of the A-4, amending SB 586A)

2. Submetering of water:

- Clarifies and simplifies the process for landlords to switch from recovery for the cost of water/wastewater in the rent to submeter billing. (SECTION 46)
- Allows landlords to switch from recovery in the rent to pro rata billing. (SECTION 46)
- Allows landlords to experiment with an alternative billing system with a majority vote of tenants. (SECTION 40)
- Promotes transparency by requiring a meeting before a billing switch, a sample utility bill statement and explanatory handout prepared by OHCS, and a three-month trial billing period to test the new submeter system, as well as information in the Statement of Policy and the rental agreement. SECTIONS 46, 53)
- Allows landlords to pass-through local government Public Service Charges. (SECTION 41)
- Requires landlords to post utility provider bills in an accessible place and online. (SECTION 47)
- Clarifies that a third-party submeter billing service may not include the cost for repairs, maintenance, inspections, or bill collection. (SECTION 45)
- Provides landlord access to the space to install and maintain submeters; requires that the submeter be installed where it and the water line to which it is attached won't freeze or block access to the home. (SECTIONS 47a, 66)
- Provides that landlords are not required to test a submeter for accuracy after the trial billing period. (SECTIONS 46, 47a)
- Removes prohibition on rent increases for the year prior to converting to submeters; clarifies and continues requirement to reduce rent after conversion (SECTION 46).
- Strengthens penalty for landlord violations. (SECTION 46)

3. Dispute resolution and enforcement:

- Current law provides for voluntary dispute resolution through OHCS and its contract with the established Community Dispute Resolution Centers. The bill will expand this program and create a mandatory mediation program: A landlord or tenant may require the other party to participate in at least one mediation session regarding a dispute involving landlord/tenant law or park or marina issues, so long as the request for mediation is made in good faith and the session is held within 30 days. (SECTIONS 7, 8, 11, 13, and 16)
- Does not apply to nonpayment of rent, park closures or sales, rent increase amounts, terminations for outrageous conduct, or disputes involving domestic violence.
- The program will be funded by the existing annual special assessments paid by tenants and an increase in the annual landlord registration fee. No state tax dollars are involved. (SECTION 5, 17 (SB 586A))
- **Enforcement:** The bill, as amended by the A-4, will authorize a four-year pilot program to provide legal representation – advice, negotiation, litigation – to tenants on matters arising under Oregon residential landlord/tenant law through a grant

administered by OHCS. The amount is \$100,000 annually for a period of four years, funded from the tenants' annual special assessments (and not from the state's General Fund). (SECTIONS 9, 12, and 15)

- The bill also creates an advisory committee consisting of equal numbers of landlord and tenant representatives and a representative of the Community Dispute Resolution Centers to monitor and coordinate with OHCS regarding the mandatory mediation and enforcement programs and to present a report on the effectiveness of both to the 2021 and 2023 legislatures. (SECTION 10)
- The enforcement program and the advisory committee have a four-year sunset. (SECTION 12)

4. Termination of tenancies; noncompliance fees:

- Clarifies the termination of tenancy statute and improves the process for park and marina landlords to require cure of separate and distinct violations of a rental agreement (such as a loud party or speeding), as consistent with law applicable in apartment landlord/tenant law since 2005. The goal is to reduce terminations for minor violations and to prevent tenants from continuing violations which disturb their neighbors. (SECTION 38)
- Allows landlords to better utilize an existing statute regarding noncompliance fees as an alternative to termination for that noncompliance. (SECTION 37)

5. Maintenance of trees on MH park spaces: Requires landlords, in maintaining hazard trees on a tenant's space, to specify which tree, if any, the landlord proposes to cut down. The tenant is allowed some time, unless the condition of the tree is creating a risk of imminent and serious harm, to take care of the tree before the landlord cuts it down. The goal is to avoid mistaken removal of healthy trees. (SECTION 35)

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