

SB 608 STAFF MEASURE SUMMARY**Carrier:** Sen. Fagan, Sen. Monnes
Anderson**Senate Committee On Housing**

Action Date: 02/04/19
Action: Do pass.
Vote: 3-1-1-0
Yeas: 3 - Fagan, Golden, Monnes Anderson
Nays: 1 - Knopp
Exc: 1 - Girod
Fiscal: Fiscal impact issued
Revenue: No revenue impact
Prepared By: C. Ross, LPRO Analyst
Meeting Dates: 2/4

WHAT THE MEASURE DOES:

Prohibits termination of month-to-month tenancies without cause after one year of occupancy. Requires the conversion of fixed-term tenancies to month-to-month after a year of occupancy, unless a new fixed term is agreed on, or the landlord has warned the tenant contemporaneously in writing of three separate violations of agreement within the preceding 12 months, as specified, and provided 90 days written notice. Exempts owner-occupied tenancies (no more than two dwellings, in the same building or on the same property as a landlord's primary residence). Allows landlords to terminate tenancies in order to demolish or repurpose the dwelling within a reasonable time; to renovate or repair premises that are or will be unsafe or unfit for occupancy within a reasonable time; or to occupy the premises as a primary residence for self or immediate family when no comparable unit is available at the same location at the same time; or when the landlord has notified the tenant within 120 days of accepting a buyer's offer to purchase the dwelling as a primary residence. Requires notice to specify reason, date, and supporting facts. Requires landlord to pay tenant one month's rent for such terminations unless there are four or fewer dwelling units. Provides tenant defense against action for possession and three months' rent plus actual damages for violations when tenant brings action within one year. Limits residential rent increases within any 12-month period to no more than seven percent above average change in consumer price index, as defined, except when the dwelling has been certified for occupancy less than 15 years, or when rent is reduced pursuant to a government assistance or subsidy program. Provides for actual damages plus three months' rent for violations. Directs the Department of Administrative Services to publish maximum annual rent increase and maintain other information for the public online. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Affordable housing crisis raising humanitarian concerns
- History of development of measure's provisions
- Available research on rent restrictions
- Homeowners', tenants' and landlords' experiences and concerns regarding use of no-cause evictions
- Imperfect consensus; potential future considerations

EFFECT OF AMENDMENT:

No amendment.

This summary has not been adopted or officially endorsed by action of the committee.

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BACKGROUND:

Landlords may evict tenants for a variety of reasons, including for nonpayment of rent and other violations of rental agreements. Oregon law also generally allows both landlords and tenants to terminate month-to-month tenancies without cause, with 30 days notice (although some localities, like Portland, have different notice requirements). Fixed-term tenancies can also be terminated without cause by either landlords or tenants at any time during the tenancy with 30 days notice prior to the end of the term, or with 60 days notice after the end of the term. Current law prohibits rent increases in the first year of a month-to-month tenancy and requires 90 days notice of same. There are no other restrictions on the number or amount of rent increases that may be imposed on a month-to-month tenancy.

Senate Bill 608 prohibits evictions without cause after the first year of occupancy and adds the following circumstances to the existing list of reasons that a landlord may evict for-cause: when the premises are sold to a buyer as a primary residence; when the premises will be occupied by the landlord or an immediate family member; or when the premises are being renovated, or demolished, or removed from residential use. If a landlord uses one of the new reasons to evict, they must provide 90 days notice and one month's rent to assist the tenant with relocation (except two-unit or less, owner-occupied properties, and landlords with four or fewer dwelling units).

Senate Bill 608 also provides for fixed-term tenancies to convert to month-to-month unless the parties agree to a new term or a tenant has received at least three written, contemporaneous warnings about violations in the preceding 12 months.

Finally, Senate Bill 608 limits rent increases to no more than seven percent plus the average change in the consumer price index, no more than once in any 12-month period, unless: the premises are considered new construction, or the landlord is resetting rent for a new tenant after a compliant tenant vacated voluntarily, or the rent is subsidized.