

SB 608 STAFF MEASURE SUMMARY

Carrier: Rep. Meek

House Committee On Human Services and Housing**Action Date:** 02/20/19**Action:** Do Pass.**Vote:** 6-3-0-0**Yeas:** 6 - Keny-Guyer, Meek, Mitchell, Sanchez, Schouten, Williams**Nays:** 3 - Helt, Noble, Zika**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** Amie FenderSosa, LPRO Analyst**Meeting Dates:** 2/18, 2/20**WHAT THE MEASURE DOES:**

Prohibits termination of month-to-month tenancies without cause after one year of occupancy. Requires fixed-term tenancies to convert 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 primary residence. Requires notice to specify reason, date, and supporting facts. Requires landlord to pay tenant one month's rent unless the landlord owns 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 7 percent above average change to the 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. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Stable housing and impact on students' ability to learn
- Connections between stable housing, mental health, and physical health
- No-cause evictions and connections to homelessness
- Homelessness and evictions impact on child custody and visitation issues
- For-cause evictions, options for landlord in current law, and proposed by the measure
- Local governments' ability to create additional regulations
- Housing supply
- Historical rental rate trends and comparison to average wages
- Potential unknown consequences of the bill
- Rent control laws in other states
- Emergency clause
- Tenant stability versus landlord profits
- Capital expenditures for improvements
- Workforce housing

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- Rent subsidies
- Maintenance, repair requests, and no-cause evictions
- Rent instability and the debt cycle
- Environmental impacts of commuting to work
- Options to remain in the same community as one ages
- Domestic violence and sexual assault victims' particular difficulties due to housing instability
- No-cause evictions impact on immigrants and refugees
- Increased cost of social services when individuals do not have housing
- Historic housing discrimination in Oregon
- Lack of rent control studies in rural environments

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Landlords may legally 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: 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, 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 who own four or fewer dwelling units).

Senate Bill 608 also provides for fixed-term tenancies to automatically 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, the landlord is resetting rent for a new tenant after a compliant tenant vacated voluntarily, or the rent is subsidized.