

**HB 4213 -2, -3, -6, -7, -12, -13, -14 STAFF MEASURE
SUMMARY**

Joint Committee On The First Special Session of 2020

Prepared By: James Leyba, LPRO Analyst

Meeting Dates: 6/24, 6/25

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 have a 90-day grace period during which they must pay their outstanding nonpayment balance. Requires tenants with nonpayment balances to notify their landlord if they intend to use the grace period to pay balances due. Allows landlord to recover damages equal to 50 percent of one month’s rent following the grace period if tenant fails to give notice of intent to repay nonpayment balance during 90-day grace period. Establishes that if a tenant does not provide notice to their landlord that they intend to pay the nonpayment balance by no later than the end of the 90-day grace period, that the landlord may deliver notice of rental agreement termination, and initiate or continue eviction actions. Authorizes tenant injunctive relief for landlord violation of moratorium restrictions. Repeals eviction restrictions 270 days after declaration of state of emergency is issued by the Governor.

ISSUES DISCUSSED:

- Evictions timelines
- Tenant proof of impact
- Length of emergency period

EFFECT OF AMENDMENT:

-2 Establishes April 1, 2020 to September 30, 2020 as ‘emergency period.’ Amends definition of ‘nonpayment balance.’ Establishes that landlord written notice to tenant regarding eviction for nonpayment must specify that such action may not be allowed before September 30, 2020. Modifies grace period to six months ending on March 31, 2021. Modifies language in landlord letter to tenant after emergency period to reflect six month grace period. Repeals temporary evictions restrictions on March 31, 2021.

-3

Changes date in which eviction for non-payment is allowed to January 1, 2021. Removes restriction of landlord to give termination notice during the emergency period. Requires tenant to provide landlord with notice of inability to pay the full rent or charges within 5 days of nonpayment. Requires tenant to provide documentation of illness or disruption of income related to COVID-19 within 5 days of non payment. Changes repeal date to December 31, 2020. Repeals Governor’s Executive Order 20-13 and preempts ordinance by local government.

-6

Directs the Oregon Housing Stability Council to pay each landlord whose tenant has vacated or terminated tenancy on or after April 1, 2020 an amount equal to the amount left unpaid by the tenant. Specifies that the Housing and Community Services Department (the department) will prescribe how a landlord may apply and receive payment. Allows the department to use the Oregon Housing Fund for payment. Repeals Act on January 2,

2022.

-7 Modifies grace period to six months ending on March 31, 2021. Repeals temporary evictions restrictions on March 31, 2021. Changes definition of 'emergency period' to begin on April 1, 2020 and ending on September 30, 2020.

-12

Changes the emergency period to April 1, 2020 through September 30, 2020. Changes definition of 'nonpayment balance.' Extends grace period from 90 days to 6 months. Defines 'termination notice without cause.' Prohibits termination without cause if the first year of occupancy would end during the emergency period. Allows termination without cause if the landlord accepted an offer to purchase the dwelling unit separately from any other dwelling unit from a person who intends in good faith to occupy the dwelling unit as the person's primary residence and has provided the notice and written evidence of the offer to purchase the dwelling unit, to the tenant not more than 120 days after accepting the offer to purchase. Changes repeal date to March 31, 2021. Specifies that the period of limitation for claims by a landlord bases on a tenant's nonpayment is tolled until March 31, 2021.

-13 Changes the emergency period to April 1, 2020 through September 30, 2020. Changes definition of 'nonpayment balance' and 'termination notice without cause.' Extends grace period from 90 days to 6 months. Defines 'termination notice without cause.' Prohibits termination without cause if the first year of occupancy would end during the emergency period. Allows termination without cause if the landlord accepted an offer to purchase the dwelling unit separately from any other dwelling unit from a person who intends in good faith to occupy the dwelling unit as the person's primary residence and has provided the notice and written evidence of the offer to purchase the dwelling unit, to the tenant not more than 120 days after accepting the offer to purchase. Changes repeal date to March 31, 2021. Specifies that the period of limitation for claims by a landlord bases on a tenant's nonpayment is tolled until March 31, 2021.

-14 Changes the emergency period to April 1, 2020 through September 30, 2020. Changes definition of 'nonpayment balance' and 'termination notice without cause.' Extends grace period from 90 days to 6 months. Defines 'termination notice without cause.' Prohibits termination without cause if the first year of occupancy would end during the emergency period. Allows termination without cause if the landlord accepted an offer to purchase the dwelling unit separately from any other dwelling unit from a person who intends in good faith to occupy the dwelling unit as the person's primary residence and has provided the notice and written evidence of the offer to purchase the dwelling unit, to the tenant not more than 120 days after accepting the offer to purchase. Removes requirement that tenant pay all publicly funded rent assistance they receive to the landlord as payment for rent. Changes repeal date to March 31, 2021. Specifies that the period of limitation for claims by a landlord bases on a tenant's nonpayment is tolled until March 31, 2021.

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 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, in response to economic hardships created by the COVID-19 nearly a dozen states have introduced consumer protection legislation to provide temporary relief from evictions and foreclosures of residential and commercial properties during the pandemic; several other states have provided similar protection through executive or judicial orders.

House Bill 4213 temporarily restricts landlords and lenders from actions against tenants and borrowers due to late or nonpayment of rent or mortgage during the Governor's declared emergency period.