LC 9 2021 2nd Special Session 12/9/21 (RLM/ps)

DRAFT

SUMMARY

Extends suspension of termination of residential tenancies for nonpayment of rent for tenants who have applied for emergency rental assistance and provided documentation of application to their landlord on or before June 30, 2022, throughout period that application is pending. Amends notice provided with eviction summons delivered by clerk. Adds additional requirements for certain rental assistance providers.

Extends until October 1, 2022, sunset of safe harbor for tenants who have applied for emergency rental assistance and sunset of changes extending cure period in termination notices for nonpayment of residential rent.

Extends eligibility for funding from Housing and Community Services Department for certain landlords experiencing delay in termination for nonpayment.

Declares emergency, effective on passage.

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A BILL FOR AN ACT

Relating to residential tenancies; creating new provisions; amending section
22, chapter 3, Oregon Laws 2020 (third special session), and sections 2,
5, 7, 8, 9 and 10, chapter 420, Oregon Laws 2021; and declaring an emergency.

6 Be It Enacted by the People of the State of Oregon:

<u>SECTION 1.</u> Section 2, chapter 420, Oregon Laws 2021, is amended to
read:

9 Sec. 2. (1) As used in this section and section 9, chapter 420, Oregon
10 Laws 2021:

(a) "Documentation" includes electronic mail, a screenshot or other
written or electronic documentation from a [*rent*] **rental** assistance provider
verifying the submission of an application for **emergency** rental assistance.

(b)(A) "Nonpayment" means the nonpayment of a payment that is due to
a landlord, including a payment of rent, late charges, utility or service
charges or any other charge or fee as described in the rental agreement or
ORS 90.140, 90.302, 90.315, 90.392, 90.394, 90.560 to 90.584 or 90.630.

(B) "Nonpayment" does not include payments owed by a tenant for
damages to the premises.

(2)(a) If, on or before June 30, 2022, a tenant provides the landlord with
documentation that the tenant has applied for emergency rental assistance,
a landlord may not, while the application for rental assistance is pending:

11 (A) Deliver a termination notice for nonpayment; or

(B) Initiate or continue an action for possession based on a terminationnotice for nonpayment.

(b) A tenant may provide documentation by any method reasonably calculated to achieve receipt by the landlord, including by sending a copy or
photograph of the documentation by electronic mail or text message.

(c) If [60 days have passed since the tenant provided documentation under
this subsection:] the tenant's application is no longer pending:

19 (A) A landlord may deliver to the tenant a new termination notice for 20 nonpayment, to which this section does not apply, without providing the 21 notice under subsection (4) of this section; or

(B) If a claim for possession was postponed under subsection (5)(b) of this section, **upon notice from either party that the application is no longer pending**, the court shall promptly set the matter for [*trial*.] **a first appearance as described in ORS 105.137.**

(3) Except as provided in subsection (2)(c)(A) of this section, a landlord
shall deliver the notice described in subsection (4) of this section along with:
(a) Any notice of termination for nonpayment; and

(b) Any summons for a complaint seeking possession based on nonpayment
given by the landlord or service processor, including a summons delivered
under ORS 105.135 (3)(b).

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1 (4) The notice required under subsection (3) of this section must be in 2 substantially the following form:

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4 THIS IS AN IMPORTANT NOTICE ABOUT YOUR RIGHTS TO PRO-5 TECTION AGAINST EVICTION FOR NONPAYMENT.

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For information in Spanish, Korean, Russian, Vietnamese or Chinese, go
to the Judicial Department website at www.courts.oregon.gov.

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[Until February 28, 2022, if you give your landlord documentation that you 10 have applied for rental assistance at or before your first appearance in court, 11 12you may be temporarily protected from eviction for nonpayment.] If you have applied for emergency rental assistance, then you may be protected 13 from eviction for nonpayment of rent as long as your application is 14 pending with the rental assistance provider. To qualify for this pro-15tection, you must give your landlord documentation of your rental 16 assistance application at or before your first appearance in court, and 17no later than June 30, 2022. The protection from eviction for nonpay-18 ment of rent applies until your application is no longer pending, but 19 no later than September 30, 2022. Do not miss an eviction court date, 2021even if you believe your eviction should not be moving forward.

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Documentation [*may be made*] of your application for rental assistance can be provided by any reasonable method, including by sending a copy or photograph of the documentation to your landlord by electronic mail or text message. "Documentation" includes electronic mail, a screenshot or other written or electronic documentation verifying the submission of an application for **emergency** rental assistance.

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To apply for rental assistance (**before June 30, 2022**), go to www.oregonrentalassistance.org, dial 211 or go to www.211info.org.

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1 To find free legal assistance for low-income Oregonians, go to 2 www.oregonlawhelp.org.

4 (5)(a) A court shall enter a judgment dismissing a complaint for pos-5 session that is based on a termination notice for nonpayment if the court 6 determines that:

7 (A) The landlord failed to attach the notice as required under subsection8 (3) of this section.

9 (B) The tenant's nonpayment was substantially caused by the landlord's 10 failure to reasonably participate with a rental assistance program. This 11 subparagraph does not require that a landlord apply for compensation under 12 section 2, chapter 3, Oregon Laws 2020 (third special session).

13 (C) The landlord [receives rental assistance covering the rent] has received 14 rental assistance or any other payment covering the nonpayment 15 amount owed under the notice.

16 (D) The tenant provided the landlord with documentation of application 17 for rental assistance as described in subsection (2) of this section before the 18 claim was filed.

(b) If the tenant provides the landlord or court with documentation of application for rental assistance as described in subsection (2) of this section at any time after the landlord commenced the action for possession and at or before the first appearance, at the first appearance the court shall, on its own motion, postpone the first appearance [to a date not earlier than 60 days after the documentation was delivered.] until the tenant's application is no longer pending.

26 (6) If a landlord violates this section;

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(a) A tenant may obtain injunctive relief to recover possession or address
any other violation[;].

(b) The tenant has a defense to an action for possession by the landlord.
(7) Notwithstanding ORS 105.137 (4), if a claim for possession is dismissed
under this section, the tenant is not entitled to prevailing party fees, costs

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1 or attorney fees if the landlord:

2 (a) Delivered to the tenant all notices required under subsection (3) of 3 this section as required;

4 (b) Did not know, and did not have reasonable cause to know, at the time 5 of commencing the action that the tenant had provided documentation of 6 application for rental assistance under subsection (2) of this section; and

7 (c) Promptly dismissed the action upon becoming aware of the documen8 tation of application for emergency rental assistance.

SECTION 2. The amendments to section 2, chapter 420, Oregon 9 Laws 2021, by section 1 of this 2021 second special session Act apply to: 10 (1) Termination notices for nonpayment given before, on or after 11 12the effective date of this 2021 second special session Act, except that termination notices given before the effective date of this 2021 second 13 special session Act may include the form of notice under section 2(4), 14 chapter 420, Oregon Laws 2021, that was in effect on the date the ter-15mination notice was given. 16

(2) Actions for possession filed before, on or after the effective date
 of this 2021 second special session Act that have not resulted in a
 judgment for possession.

(3) Applications for compensation for nonpayment under section 9,
 chapter 420, Oregon Laws 2021, that are submitted on or after the ef fective date of this 2021 second special session Act.

23 <u>SECTION 3.</u> Section 5, chapter 420, Oregon Laws 2021, is amended to 24 read:

Sec. 5. The clerk shall include [*the notice described in section 2 (4) of this* 26 2021 Act] with the summons and complaint mailed to a defendant under ORS 27 105.135 (3)(a)[.]:

(1) A copy of the notice described in section 2 (4), chapter 420,
Oregon Laws 2021; and

30 (2) The following statement: "Low-income tenants who have re-31 ceived a court summons about an eviction case may contact the

[5]

1 Eviction Defense Project at (888) 585-9638 or e-mail 2 evictiondefense@oregonlawcenter.org to seek free legal defense."

3 **SECTION 4.** Section 7, chapter 420, Oregon Laws 2021, is amended to 4 read:

5 Sec. 7. In distributing emergency rental assistance to residential tenants 6 funded by federal, state or local moneys, the Housing and Community Ser-7 vices Department, other public bodies and local governments, along with 8 their subgrantees, shall:

9 (1) Promptly provide a dated application receipt to each tenant who ap-10 plies for assistance. The receipt may be in an electronic format.

(2) Close an application, after notice to the tenant of potential clo sure, if the provider reasonably determines that the tenant is no
 longer participating.

(3) If, upon qualifying circumstance, an application is approved and
payment is made to an entity other than the tenant's landlord, provide
a dated notice of payment to the tenant's landlord at any known address or electronic mail address.

(4) If an application is denied or is otherwise closed without payment, provide a dated notice of the denial or closure to the tenant and
to the tenant's landlord at any known address or electronic mail address.

22 <u>SECTION 5.</u> Section 5, chapter 420, Oregon Laws 2021, as amended by 23 section 3 of this 2021 special session Act, is amended to read:

Sec. 5. The clerk shall include with the summons and complaint mailed to a defendant under ORS 105.135 (3)(a)[:]

[(1) A copy of the notice described in section 2 (4), chapter 420, Oregon
 Laws 2021; and]

[(2)] the following statement: "Low-income tenants who have received a court summons about an eviction case may contact the Eviction Defense Project at (888) 585-9638 or e-mail evictiondefense@oregonlawcenter.org to seek free legal defense." <u>SECTION 6.</u> The amendments to section 5, chapter 420, Oregon
 Laws 2021, by section 5 of this 2021 second special session Act become
 operative October 1, 2022.

4 <u>SECTION 7.</u> Section 22, chapter 3, Oregon Laws 2020 (third special ses-5 sion), as amended by section 4, chapter 39, Oregon Laws 2021, is amended to 6 read:

Sec. 22. (1) The amendments to ORS 105.113 by section 20, chapter 3,
Oregon Laws 2020 (third special session), become operative on July 1, 2021.
(2) The amendments to ORS 90.385[, 90.394 and 105.124 by sections 18, 19
and 21] by section 18, chapter 3, Oregon Laws 2020 (third special session),

11 become operative on March 1, 2022.

(3) The amendments to ORS 90.394 and 105.124 by sections 19 and 21,
chapter 3, Oregon Laws 2020 (third special session), become operative
on October 1, 2022.

15 **SECTION 8.** Section 8, chapter 420, Oregon Laws 2021, is amended to 16 read:

17 Sec. 8. [Sections 2, 5, 6 and 7 of this 2021 Act are repealed on March 1, 18 2022.]

(1) Section 2, chapter 420, Oregon Laws 2021, as amended by section
 1 of this 2021 second special session Act, is repealed on October 1, 2022.
 (2) Section 5, chapter 420, Oregon Laws 2021, as amended by sections
 3 and 5 of this 2021 second special session Act, is repealed on July 1,
 2023.

(3) Section 6, chapter 420, Oregon Laws 2021, is repealed on October
1, 2022.

(4) Section 7, chapter 420, Oregon Laws 2021, as amended by section
 4 of this 2021 second special session Act, is repealed on October 1, 2022.
 <u>SECTION 9.</u> Section 9, chapter 420, Oregon Laws 2021, is amended to
 read:

30 Sec. 9. The Housing and Community Services Department shall provide 31 a grant to a third party to make distributions to compensate landlords who,

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under section 2 [of this 2021 Act], chapter 420, Oregon Laws 2021, have delayed termination notices or eviction proceedings. A landlord may apply for compensation for nonpayment that accrued during the [delay if the landlord demonstrates that:] time period, as demonstrated by the landlord, beginning on the date that the tenant provided documentation to the landlord, and ending on the earliest of the following:

7 [(1) The tenant's application for rental assistance was denied; or]

8 [(2) Sixty days have passed since the tenant provided documentation of ap-9 plication for rental assistance without the landlord receiving rental 10 assistance.]

(1) The date the landlord receives possession of the premises from
 the tenant;

(2) The date a court enters a judgment for possession of the prem ises in favor of the landlord;

(3) The date a rental assistance provider denies or closes without
 payment a tenant's application for rental assistance; or

17 (4) The date a rental assistance provider makes a payment of rental
 18 assistance on behalf of the tenant.

19 <u>SECTION 10.</u> Section 10, chapter 420, Oregon Laws 2021, is amended to 20 read:

Sec. 10. Section 9, chapter 420, Oregon Laws 2021, as amended by section 10 of this 2021 second special session Act, [of this 2021 Act] is repealed on October 1, 2023 [March 1, 2023].

24 <u>SECTION 11.</u> This 2021 second special session Act being necessary 25 for the immediate preservation of the public peace, health and safety, 26 an emergency is declared to exist, and this 2021 second special session 27 Act takes effect on its passage.

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