

Summary of LC 9
2021 2nd Special Session
12/11/21
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LC 9 addresses the issue that the current safe harbor timelines are too short to stop eviction before rent assistance applications are processed. It also fully pays landlords in the event applications are closed without sufficient payment and clarifies requirements of agencies administering rent assistance.

Key Elements of LC 9, amending current Safe Harbor protections

- **Provides safe harbor for tenants who have applied for rent assistance and given documentation of their application to their landlords, to prevent eviction for nonpayment while the application is being processed during the entire application process. Replaces the 60-day limit.**
 - Protection lasts until the rent assistance application is no longer pending (*Page 2, Line 9, Section 1(2)(a) and Page 4, Line 24, Section 1(5)(b)*)
 - Excludes property damages from the type of non-payment that may trigger a safe harbor (*Page 2, Line 5, Section 1(b)(B)*)
- **Safe harbor protection must be initiated by June 30, 2022.** After that date, only tenants who have already submitted their safe harbor documentation to their landlord will be protected during application process. (*Page 2, Line 7, Section 1(2)(a)*)
- **Safe harbor protections end entirely on September 30th, 2022,** Protections for anyone remaining in the application queue from before June 30th will end entirely on September 30th, 2022. *Page 7, Line 19, Section 8(1)*
- **Safe harbor protections apply to all pending termination notices and to past eviction filings where there has not been a judgment of possession, and to future notices and filings.** (*Page 5, Line 9, Section 2*)
- **Extends the 10-day notice of nonpayment requirement until September 30th, 2022.** *Page 7, Line 12, Section 7(3)*). After September 30th, 2022, statute will revert back to requiring a 72 hour notice.
- **Expands Landlord Guarantee Fund** (*Page 7, Line 28, Section 9*)
 - Deletes 60-day limitation on compensation.
 - Expands time for which Landlord can receive compensation for nonpayment that accrued during the pendency of an application, to the period between the date the tenant provided documentation of rent assistance application to the landlord and the earliest of these dates:
 - Date the landlord receives possession of the premises;

- Date a court enters a judgment of possession in favor of the landlord;
 - Date an application is denied or closed without payment;
 - Date a payment is made.
 - *Note:* Associated funding package contains \$10 million investment into the Landlord Guarantee fund.
- **In distributing federal, state, or local emergency rent assistance, OHCS, public bodies, local governments, and subgrantees must:** (*Page 6, line 3, Section 4*)
 - Provide tenants with a dated receipt of application;
 - Close an application if the provider reasonably determines that the tenant is no longer participating;
 - Provide a dated notice of payment to the landlord, if the payment is made to a different entity;
 - Provide a dated notice of closure or denial to the tenant and the landlord, if the application is closed or denied without payment.

Explanation of sunset/repeal/operative dates:

Section 6, page 7 – Amends section 5 to remove the notice of safe harbor protections and information about rent assistance from the notice to tenants, effective October 1, 2022.

Section 7, page 7 –

(2) retains the current sunset from SB 282 on retaliation damages increases, by returning to the prior standard as of March 1, 2022.

(3) as noted above, extends the sunset on the 10 day nonpayment termination notice by returning to a 72 hour notice on October 1, 2022.

Section 8, page 7 –

(1) Repeals safe harbor provisions entirely on October 1, 2022.

(2) Repeals summons statement about where tenants can find legal assistance on July 1, 2023.

(3) Repeals the Court’s obligation to maintain translated tenant safe harbor notices on their website on October 1, 2022.

(4) Repeals the tenant notice with information about safe harbor.

Associated funding package:

- \$215 million to fund rent assistance and housing stability services across the state. \$10 million of this is for the Landlord Guarantee Fund.