

HB 2966 A STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

Prepared By: Tyler Larson, LPRO Analyst

Meeting Dates: 5/4, 5/13

WHAT THE MEASURE DOES:

Extends the grace period, from March 31, 2021 to September 30, 2021, for a commercial tenant to repay any outstanding nonpayment balance of rent, late charges, utility charges, or any other service charge or fee during the emergency period between April 1, 2020, and September 30, 2020. Limits the extension from applying if a landlord attempts to apply for financial assistance, if the application requires the tenant to be a co-applicant, and if the tenant does not make a good faith effort to comply with the application requirements for the tenant. Becomes operative retroactively to March 31, 2021 if the effective date is after March 31, 2021. Stipulates that any otherwise lawful action taken or lawful obligation incurred between March 31, 2021 and the effective date is declared ratified and approved. Requires that any claim for possession of real property based on a commercial tenant's nonpayment that was filed after March 31, 2021 and that has not resulted in a judgment must be stayed until October 1, 2021. Sunsets on September 30, 2021. Declares emergency, effective on March 31, 2021.

House vote: Ayes, 44; Nays, 10--Bonham, Boshart Davis, Breese-Iverson, Cate, Lewis, Post, Reschke, Smith G, Stark, Wright; Excused, 6--Levy, Lively, Morgan, Nearman, Reynolds, Wallan.

Minimal fiscal impact; no revenue impact

ISSUES DISCUSSED:

- Ongoing impact of pandemic on small businesses
- Benefits of extending grace period during economic recovery

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

On April 1, 2020, the Governor issued Executive Order 2020-13, which placed a 90-day moratorium on evictions of commercial tenants for nonpayment of rent. The order required commercial tenants to provide evidence that the nonpayment was directly or indirectly caused by the COVID-19 pandemic. The Legislative Assembly passed House Bill 4213 (2020 First Special Session), which replaced the Governor's executive order and prohibited notices and evictions for nonpayment of rent, as well as other charges and fees, during the "emergency period" of April 1, 2020, through September 30, 2020. It also established a six-month grace period from September 30, 2020, through March 31, 2021, during which commercial tenants could pay for any unpaid rent, charges, and fees that were due during the emergency period. House Bill 4213 sunset on March 31, 2021.

House Bill 2966-A extends the grace period from March 31, 2021 to September 30, 2021 for a commercial tenant to repay any outstanding nonpayment balance of rent, late charges, utility charges, or any other service charge or fee during the 2020 emergency period.