

FISCAL IMPACT OF PROPOSED LEGISLATION

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

Measure: SB 278 - A

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Prevents landlords from delivering termination notices for nonpayment of rent if tenants have applied for rental assistance.

Government Unit(s) Affected:

Oregon Business Development Department (OBDD), Oregon Judicial Department (OJD), Housing and Community Services Department (HCSD), Counties, Cities

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time, but anticipated to be minimal - See explanatory analysis.

Analysis:

SB 278 A-Engrossed:

- Provides that if a tenant provides a landlord with documentation that the tenant applied for rental assistance, then the landlord may not deliver a termination notice for nonpayment.
- Requires the Oregon Judicial Department (OJD) to translate the notice form into Spanish, Korean, Russian, Vietnamese, and Chinese languages and to display links to the forms prominently on the OJD main webpage. The measure also requires OJD to prepare a summary of the bill and deliver a copy of the summary to each circuit court for posting at the counter and website.
- Requires the Housing and Community Services Department (HCSD) to provide a dated application receipt for tenants who apply for rent assistance.
- Increases the amount a landlord is eligible for to 100% instead of 80% of funds under the Landlord Compensation Fund. HCSD is directed to make distributions to adjust the compensation for landlords whose applications were approved before the effective date of this Act.
- Requires the HCSD to provide a grant to a third party to make distributions to compensate landlords who have delayed termination notices or evictions under the provisions of this measure. This requirement sunsets on March 1, 2023.

Housing and Community Services Department (HCSD)

The Landlord Compensation Fund (LCF), established in the third 2020 Special Session, offered \$150 million to landlords in three rounds of funding. HCSD reports that approximate amounts awarded were \$35 million in the first round, \$42 million in the second round. The payments to landlords were distributed through housing authorities in the area where the rental housing is located. Assuming that applicants in the third round will be paid the full 100 percent at eligibility verification, the incremental cost to reimburse landlords for the 20 percent not paid under the current program would be \$19,250,000. Housing authorities will also have administrative costs estimated at \$673,750. The total fiscal impact is \$19,923,750. HCSD anticipates that this cost increase can be absorbed with the remaining funds from the original \$150 million appropriation.

Oregon Judicial Department (OJD)

The fiscal impact of this measure on OJD is anticipated to be minimal.

Counties, Cities

The fiscal impact of this measure is indeterminate at this time. There are potential costs to local government who operate as residential landlords and who might have to take tenants to court as a result of a pending eviction.