

**SB 278 A STAFF MEASURE SUMMARY****Carrier:** Rep. Fahey, Rep. Zika**House Committee On Rules****Action Date:** 06/16/21**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 7-0-0-0**Yeas:** 7 - Bonham, Drazan, Fahey, Holvey, Salinas, Smith Warner, Zika**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** Claire Adamsick**Meeting Dates:** 6/14, 6/15, 6/16**WHAT THE MEASURE DOES:**

Prohibits residential landlords from delivering a termination notice for nonpayment or from taking action for possession based on termination notice for nonpayment if tenant has provided the landlord with documentation that tenant has applied for rental assistance. Requires landlords to inform tenant of tenant right to protect against eviction for nonpayment when delivering tenant notification of termination for nonpayment on or after July 1, 2021. Allows landlords to initiate or continue eviction action 60 days from the time that tenant has delivered documentation of rental assistance application. Clarifies court judgment process and court discretion regarding scheduling a first appearance based on landlord and tenant compliance with provisions of Act. Clarifies that landlord participation in a rental assistance program is not exclusive to Landlord Compensation Fund. Allows tenant to obtain injunctive relief if landlord fails to comply with notification requirements as provided by this Act. Requires Judicial Department to translate and provide notice forms in Spanish, Korean, Russian, Vietnamese, and Chinese on the department's website and distribute summary information on Act provisions to state circuit courts for posting. Requires Oregon Housing and Community Services Department (OHCS) and any subgrantees to provide dated receipt of application for rental assistance to each tenant applicant. Directs OHCS to provide grant to third party to distribute rental assistance to landlords who have delayed termination notices or eviction proceedings, if landlord demonstrates that tenant's application for rental assistance was denied, or 60 days have passed since tenant provided documentation of application for rental assistance and landlord has not received rental assistance. Directs OHCS to compensate qualified applicants to Landlord Compensation Fund for 100 percent of past-due rent accrued during emergency period of April 1, 2020 through June 30, 2021, and directs OHCS to make distributions to landlords whose applications were approved prior to July 1, 2021 without requiring the landlord to submit additional application. Makes provisions of Act operative on July 1, 2021 and repealed on March 1, 2022. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Differentiating between extending eviction moratorium and creating additional time for tenant to apply for and receive rental assistance prior to eviction proceedings
- Aligning timeline with extension of grace period for repayment until February 28, 2022
- Clarifying tenant may only apply once for extension
- Capacity of Community Action Agencies and other providers to distribute rental assistance in a timely manner
- Ability to roll over Landlord Compensation Fund moneys expiring June 30, 2021
- Current prioritization of July and August rent payments
- Concern that landlord will opt to sell a property on which rent arrears have accumulated
- Interaction between income tax credit and direct distribution of rental assistance to landlords

**EFFECT OF AMENDMENT:**

Replaces the measure.

## **SB 278 A STAFF MEASURE SUMMARY**

### **BACKGROUND:**

On March 8, 2020, Oregon Governor Kate Brown declared a state of emergency due to concerns around the transmission of COVID-19. On March 22, 2020, Executive Order 20-11 prohibited law enforcement from delivering notices of eviction, and on April 1, Executive Order 20-13 placed a temporary moratorium on residential and nonresidential evictions for nonpayment.

During its First Special Session in June 2020, the Legislative Assembly passed House Bill 4213, which established an eviction moratorium for residential and nonresidential tenants through September 30, 2020, and allowed a six-month grace period for tenants to repay outstanding rent by March 31, 2021. The grace period established in House Bill 4213 applied to rent accrued between April 1, 2020 and September 30, 2020.

On September 28, 2020, the Governor issued Executive Order 20-56, extending the temporary moratorium on residential eviction for nonpayment to December 31, 2020. This second executive order did not apply the tenant grace period for repayment to rent accrued between October 1 and December 31, 2020, meaning that landlords could lawfully terminate a tenancy beginning in January 2021 for nonpayment of rent between October 2020 and January 2021.

During its Third Special Session in December 2020, the Legislative Assembly enacted House Bill 4401, which extended the grace period for tenant nonpayment of rent and other charges, as well as the moratorium on evictions without cause, until June 30, 2021. The measure also extended the moratorium on eviction for nonpayment through June 30, 2021, for tenants who declare a financial hardship and established a Landlord Compensation Fund to cover rental assistance.

In May 2021, the Legislative Assembly enacted Senate Bill 282, extending the expiration of the grace period from June 30, 2021, to February 28, 2022, for tenant repayment of residential rent accrued during the emergency period of April 1, 2020, through June 30, 2021. The measure restricts landlords from reporting tenant nonpayment accrued during the emergency period to consumer credit agencies and from considering tenant nonpayment accrued during the emergency period when evaluating rental applications.

According to the U.S. Census Bureau's Household Pulse Survey from May 26 - June 7, 2021, 19 percent of Oregon renters reported little or no confidence that they would be able to pay the next month's rent, while 64 percent of Oregon renters surveyed said they are very or somewhat likely to be evicted in the next two months due to their inability to pay rent.

Senate Bill 278 A prohibits residential landlords from pursuing eviction actions against a tenant for nonpayment for a 60-day period from the time that a tenant has provided a landlord with documentation of application for rental assistance, beginning July 1, 2021. It describes the court judgment process and tenant right of private action based on landlord and tenant compliance with the provisions of the measure. It requires the Oregon Judicial Department to provide notice forms in the state's five most commonly spoken languages and distribute key program information to state circuit courts. The measure also directs Oregon Housing and Community Services (OHCS) to contract with a third-party grantee to distribute rental assistance to landlords who have delayed termination notice or eviction proceedings, and directs OHCS to reimburse landlords participating in the Landlord Compensation Fund for the 20 percent of past-due rent that was forgiven, and compensate new qualifying applicants for 100 percent of past-due rent.