

SB 611 A -A7 STAFF MEASURE SUMMARY

Senate Committee On Rules

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Meeting Dates: 5/4

WHAT THE MEASURE DOES:

Modifies maximum allowable residential rent increase from 7 percent plus the September annual 12-month average change in Consumer Price Index (CPI) for All Urban Consumers, West Region (All Items) as published by the Bureau of Labor Statistics; to the lesser of either 10 percent, or 5 percent plus the CPI. Limits rent increases on tenancies other than week-to-week tenancies to not more than once in any 12-month period. Applies rent increase limit to units from which tenant was evicted. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-A7 Modifies maximum allowable residential rent increase for affected properties to the lesser of either 10%, or 7% plus the September annual 12-month average change in Consumer Price Index (CPI) for All Urban Consumers, West Region (All Items) as published by the Bureau of Labor Statistics; instead of the lesser of either 10% or 5% plus CPI.

BACKGROUND:

The U.S. Department of Housing and Urban Development considers households cost-burdened when they spend more than 30 percent of their income on rent, mortgage and other housing needs. The 2021 Census American Community Survey estimates nearly half of Oregon’s renters are cost-burdened, with 52 percent of those being severely cost-burdened, spending 50 percent or more of their household income on rent, mortgage or other housing expenses.

Senate Bill 608, enacted by the Legislative Assembly in 2019, limited residential rent increases to seven percent, plus the Consumer Price Index for All Urban Consumers, West Region (All Items), as most recently published by the Bureau of Labor Statistics. Exceptions were made for new construction, rent resets after tenants voluntarily vacated, government-subsidized rent, and publicly constructed and regulated affordable housing. Clarification was later added through House Bill 3113, enacted by the Legislative Assembly in 2021, for units regulated as affordable housing, that exempted landlords if the increase did not change the tenant’s share of rent or if tenant income changes prompted a change in affordable housing program eligibility. The Oregon Office of Economic Analysis calculated the allowable rent increase for calendar year 2022 at 9.9 percent, and for calendar year 2023 at 14.6 percent.

Senate Bill 611 A modifies the maximum annual residential rent increase for affected units to the lesser of 10 percent, or 5 percent plus the consumer price index one-year change. It applies the rent increase limit to units from which a tenant was evicted and limits increases to no more than once in any 12-month period on tenancies other than week-to-week tenancies.