

HB 2134 -1 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

Prepared By: Iva Sokolovska, LPRO Analyst

Meeting Dates: 2/17, 3/19

WHAT THE MEASURE DOES:

Allows a tenant in a fixed-term tenancy to terminate their rental agreement early if their landlord has already given them notice that the tenancy will not continue past the fixed term. Permits a tenant to give their own written notice to terminate the agreement earlier, as long as they provide at least 30 days' notice to the landlord. Prohibits landlords from collecting any fees or unpaid rent after the date designated in the termination notice by the tenant and the tenant returns possession of the premises. Specifies that these provisions apply to fixed term rental agreements entered on or after the effective date of the measure. Declares an emergency, effective on passage.

Fiscal impact: Minimal fiscal impact

Revenue impact: No revenue impact

ISSUES DISCUSSED:

- Impacts of notice to vacate in current housing market
- Time constraints for tenants looking for new housing
- Lease responsibilities in fixed term tenancies

EFFECT OF AMENDMENT:

-1 Removes emergency clause.

BACKGROUND:

Oregon law establishes clear guidelines for when and how a landlord may terminate a tenancy without cause, depending on the type of rental agreement and the duration of the tenant's occupancy (ORS 90.417). In week-to-week tenancies, either the landlord or the tenant may terminate the lease with at least 10 days' written notice. For month-to-month tenancies, tenants may end the tenancy with at least 30 days' written notice. Landlords, however, can only terminate a month-to-month tenancy without cause within the first year of occupancy, also requiring at least 30 days' written notice. Once the tenant has lived in the unit for more than a year, the landlord may only end the tenancy for specific qualifying reasons, such as plans to demolish the unit, conduct major renovations, move in a family member, or sell the property to a buyer who intends to occupy it. In such cases, the landlord must provide at least 90 days' written notice and, in most situations, pay the tenant one month's rent as relocation assistance unless they own four or fewer rental units. For fixed-term tenancies, landlords may only terminate the lease before the lease term ends if they have a legally justified cause. However, if the fixed term ends within the first year of occupancy, the landlord may give at least 30 days' written notice to end the tenancy without cause. If the lease term extends beyond the first year of occupancy, the lease automatically converts to a month-to-month tenancy, unless both parties agree to a new fixed-term lease or the landlord has a qualifying reason for termination, requiring 90 days' notice. Landlords who own and live in a property with only one additional rental unit have more flexibility. After the first year, they may terminate a month-to-month tenancy with 60 days' notice, or 30 days' notice if they sell the property to a buyer who intends to live there. Fixed-term tenancies in this situation may also be ended with 30 days' notice before the lease expires. If a landlord fails to follow the legal procedures for termination, the tenant may be entitled to three months' rent in damages plus actual losses. Tenants who receive a notice of termination that violates the law may

also use it as a defense against eviction. Finally, if a tenant stays beyond the legally required move-out date, the landlord can take legal action to regain possession and may seek damages for any losses resulting from the holdover period.