

House Bill 3877

Sponsored by Representative GAMBIA, Senators MANNING JR, GORSEK; Senators JAMA, PHAM K

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act makes DCBS license vacation and rental homes. (Flesch Readability Score: 66.1).

Requires the Department of Consumer and Business Services to establish a rental licensing program for the annual licensing of dwelling units for rental or vacation occupancy. Authorizes the department to assess licensing fees and penalties. Requires dismissal of eviction for units not licensed. Requires the department to report annually on aggregate data and to provide a copy of the report to the interim committees of the Legislative Assembly related to housing. Requires the department to provide no-cost education courses to licensees. Becomes operative on January 1, 2027.

Establishes the Residential Licensing Account for the licensing program. Appropriates moneys to the account.

A BILL FOR AN ACT

1
2 Relating to licensing of dwelling units; creating new provisions; and amending ORS 105.115 and
3 105.124.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS 90.100 to 90.465.**

6 **SECTION 2. (1) The Department of Consumer and Business Services shall establish a**
7 **rental licensing program to license each dwelling unit that is rented or is available to rent**
8 **pursuant to a rental agreement or as a vacation occupancy. The department shall license**
9 **each unit for which the information is received under subsection (2) of this section and for**
10 **which a fee has been paid under subsection (3) of this section.**

11 **(2) The department shall establish an online portal through which the department col-**
12 **lects information for each dwelling unit. The information must include the following:**

13 **(a) The type of dwelling unit;**

14 **(b) The physical address of the unit;**

15 **(c) The number of bedrooms in the unit;**

16 **(d) The year the structure containing the dwelling unit was constructed and the date of**
17 **first certificate of occupancy;**

18 **(e) The names, phone numbers, electronic mail addresses and mailing addresses of all**
19 **persons financially interested in the unit, including as owners, partners, shareholders, asso-**
20 **ciates or profit-sharers, if the person holds more than a 10 percent ownership in the unit;**

21 **(f) For persons described in paragraph (e) of this subsection, their percentage of owner-**
22 **ship;**

23 **(g) Whether for the ultimate parent owner of any entity owning the unit, more than four**
24 **of the following are true:**

25 **(A) The owner has a defined end date or plan to liquidate the company that is less than**
26 **10 years away;**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (B) The owner raises capital primarily from institutional investors and high-net-worth
2 individuals;

3 (C) The owner uses debt financing beyond traditional property-level mortgages, such as
4 fund-level debt or mezzanine financing;

5 (D) The owner manages more than \$150 million dollars worth of assets;

6 (E) The owner registers with the Securities and Exchange Commission as an investment
7 adviser; or

8 (F) The owner pools money from multiple large investors to purchase real estate port-
9 folios;

10 (h) For units rented as a residential tenancy, the amount of rent being charged to the
11 current tenant or most recent former tenant of the unit; and

12 (i) The name and contact information of the person providing the information.

13 (3)(a) The department may charge for each unit an annual licensing fee of not more than:

14 (A) \$__ per unit to license more than 20 units;

15 (B) \$__ per unit to license more than five but 20 or fewer units; or

16 (C) \$__ per unit to license five or fewer units.

17 (b) A unit that is subject to an affordability restriction that makes the unit available only
18 to families receiving less than 60 percent of the area median income is exempt from the fee
19 under this section.

20 (4)(a) Each unit must be licensed by the department annually, on or before February 1
21 of each year.

22 (b) A unit must be licensed by the department no later than nine months after the unit
23 is first rented or listed as available for rent.

24 (c) An owner of an interest in the unit as described in subsection (2)(e) of this section,
25 and the unit's landlord or property manager, if any, are jointly responsible for the licensing
26 and for paying any fee or penalty assessed under this section.

27 (d) The department shall send a renewal reminder notice, which may be in written or
28 electronic form, to each person who has submitted information under subsection (2) of this
29 section before the deadline for renewing a license.

30 (5)(a) The department may assess a civil penalty against an owner of an interest in the
31 unit as described in subsection (2)(e) of this section, and the unit's landlord or property
32 manager, if any, if a unit is not licensed as required under this section.

33 (b) The civil penalty may not exceed \$1,000 per year and without regard to the number
34 of owners. In assessing a civil penalty, the department shall take into consideration any good
35 faith efforts to comply with this section.

36 (c) If the civil penalty is not paid on or before 90 days after the order assessing the
37 penalty becomes final by operation of law, the department may file the order with the county
38 clerk of the county where the facility is located as a lien against the facility. In addition to
39 any other available remedy, recording the order in the County Clerk Lien Record has the
40 effect provided for in ORS 205.125 and 205.126 and the order may be enforced as provided in
41 ORS 205.125 and 205.126.

42 (6) Any fee or penalty collected by the department under this section must be deposited
43 into the Rental Licensing Account established under section 4 of this 2025 Act.

44 (7)(a) The department shall work with any public body, as defined in ORS 174.109, that
45 collects all of the information required to be collected under subsection (2) of this section

1 to obtain the information and avoid the duplication of efforts.

2 (b) The department may exempt units from providing information to the extent that all
 3 of the required information may be obtained from another source and may reduce or elimi-
 4 nate any licensing fees for units whose information is obtained under this subsection.

5 (8)(a) Each year the Department of Consumer and Business Services, in coordination
 6 with the Housing and Community Services Department, shall publish a report summarizing
 7 aggregate data about rental housing based on information collected under subsection (2) of
 8 this section and ORS 90.732. On or before September 15, of each year, the Department of
 9 Consumer and Business Services shall deliver a copy of the report in the manner provided
 10 by ORS 192.245 to the interim committees of the Legislative Assembly related to housing.

11 (b) Upon request from a city or county, the department shall provide aggregated infor-
 12 mation specific to the city’s or county’s jurisdiction.

13 (c) The department may share any data requested by the Housing and Community Ser-
 14 vices Department or the Oregon Department of Administrative Services for the purposes of
 15 conducting the Oregon Housing Needs Analysis under ORS 184.451 to 184.455 or 456.601 or
 16 456.602.

17 (d) The department shall create an online portal through which circuit and justice courts
 18 with jurisdiction over a residential eviction complaint under ORS 105.100 to 105.168 may de-
 19 termine whether a property address is licensed under this section.

20 (e) Information collected under subsection (2) of this section is not subject to a public
 21 records request. Such information may not be shared or reported on, except as provided
 22 under this subsection.

23 (9)(a) The Department of Consumer and Business Services shall contract with a nonprofit
 24 trade association in Oregon representing property management interests to provide no-cost
 25 education classes for the owners, landlords or property managers of licensed units. The
 26 classes must relate to the management of residential properties used as rental properties
 27 or vacation occupancies.

28 (b) The department shall ensure that classes under this section:

29 (A) Are offered at least once every six months;

30 (B) Have instruction material approved by the department;

31 (C) Have at least one-half of the class instruction on one or more provisions of this
 32 chapter, ORS 105.100 to 105.168, fair housing law or other laws relating to landlords and
 33 tenants and vacation occupancies; and

34 (D) Provide a certificate of completion to all attendees.

35 (10) This section does not apply to a dwelling unit that consists of a space for a manu-
 36 factured dwelling or floating home for which the tenant owns the dwelling or home.

37 (11) The Department of Consumer and Business Services shall adopt rules for the im-
 38 plementation and administration of this section.

39 **SECTION 3.** Section 4 of this 2025 Act is added to and made a part of ORS chapter 705.

40 **SECTION 4.** (1) The Rental Licensing Account is established as a subaccount in the
 41 Consumer and Business Services Fund created in ORS 705.145.

42 (2) The account consists of moneys collected under section 2 of this 2025 Act and moneys
 43 that may be appropriated for deposit into the account by the Legislative Assembly. Interest
 44 earned on the account shall be credited to the account.

45 (3) Moneys in the account are continuously appropriated to the Department of Consumer

1 **and Business Services to carry out the duties of the department under section 2 of this 2025**
2 **Act.**

3 **SECTION 5.** ORS 105.115 is amended to read:

4 105.115. (1) Except as provided by subsections (2) and (3) of this section, the following are causes
5 of unlawful holding by force within the meaning of ORS 105.110, 105.123 and 105.126:

6 (a) When the tenant or person in possession of any premises fails or refuses to pay rent within
7 10 days after the rent is due under the lease or agreement under which the tenant or person in
8 possession holds, or to deliver possession of the premises after being in default on payment of rent
9 for 10 days.

10 (b) When the lease by its terms has expired and has not been renewed, or when the tenant or
11 person in possession is holding from month to month, or year to year, and remains in possession
12 after notice to quit as provided in ORS 105.120, or is holding contrary to any condition or covenant
13 of the lease or is holding possession without any written lease or agreement.

14 (c) When the owner or possessor of a recreational vehicle that was placed or driven onto prop-
15 erty without the prior consent of the property owner, operator or tenant fails to remove the recre-
16 ational vehicle. The property owner or operator is not required to serve a notice to quit the
17 property before commencing an action under ORS 105.126 against a recreational vehicle owner or
18 possessor holding property by force as described in this paragraph.

19 (d) When the person in possession of a premises remains in possession after the time when a
20 purchaser of the premises is entitled to possession in accordance with the provisions of ORS 18.946
21 or 86.782.

22 (e) When the person in possession of a premises remains in possession after the time when a
23 deed given in lieu of foreclosure entitles the transferee named in the deed to possession of the
24 premises.

25 (f) When the person in possession of a premises remains in possession after the time when a
26 seller is entitled to possession in accordance with the provisions of ORS 93.930 (2)(c) or pursuant
27 to a judgment of strict foreclosure of a recorded contract for transfer or conveyance of an interest
28 in real property.

29 (g) When the person in possession of a premises remains in possession after the expiration of a
30 valid notice terminating the person's right to occupy the premises pursuant to ORS 91.120, 91.122
31 or 91.130.

32 (2) In the case of a dwelling unit to which ORS chapter 90 applies:

33 (a) The following are causes of unlawful holding by force within the meaning of ORS 105.110 and
34 105.123:

35 (A) When the tenant or person in possession of any premises fails or refuses to pay rent within
36 the time period required by a notice under ORS 90.392 or 90.394.

37 (B) When a rental agreement by its terms has expired and has not been renewed, or when the
38 tenant or person in possession remains in possession after a valid notice terminating the tenancy
39 pursuant to ORS chapter 90, or is holding contrary to any valid condition or covenant of the rental
40 agreement or ORS chapter 90.

41 (b) A landlord may not file an action for *[the return of possession of a dwelling unit based upon*
42 *a cause of unlawful holding by force]* **possession** as described in paragraph (a) of this subsection:

43 **(A)** Until after the expiration of a rental agreement for a fixed term tenancy or after the expi-
44 ration of the time period provided in a notice terminating the tenancy.

45 **(B) If the property does not meet licensing requirements under section 2 of this 2025 Act,**

1 **as the court may determine by reference to the online portal under section 2 (8) of this 2025**
2 **Act.**

3 (c) The court may dismiss a claim for possession at any time if the complaint does not comply
4 with this subsection.

5 (3) In an action under subsection (2) of this section, ORS chapter 90 shall be applied to deter-
6 mine the rights of the parties, including:

7 (a) Whether and in what amount rent is due;

8 (b) Whether a tenancy or rental agreement has been validly terminated; and

9 (c) Whether the tenant is entitled to remedies for retaliatory conduct by the landlord as pro-
10 vided by ORS 90.385 and 90.765.

11 **SECTION 6.** ORS 105.124 is amended to read:

12 105.124. For a complaint described in ORS 105.123, if ORS chapter 90 applies to the dwelling
13 unit:

14 (1) The complaint must be in substantially the following form and be available from the clerk
15 of the court:

16 _____
17
18 IN THE CIRCUIT COURT
19 FOR THE COUNTY OF

20 _____
21 No. _____

22
23 RESIDENTIAL EVICTION COMPLAINT

24
25 PLAINTIFF (Landlord or agent):

26 _____
27 _____

28 Address: _____

29 City: _____

30 State: _____ Zip: _____

31 Telephone: _____

32
33 vs.

34
35 DEFENDANT (Tenants/Occupants):

36 _____
37 _____

38 MAILING ADDRESS: _____

39 City: _____

40 State: _____ Zip: _____

41 Telephone: _____

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43 1.

44 Tenants are in possession of the dwelling unit, premises or rental property described above or
45 located at:

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The property is:

- Licensed as required under section 2 of this 2025 Act.
- Not required to be licensed under section 2 of this 2025 Act.

2.

Landlord is entitled to possession of the property because of:

- 24-hour notice for personal injury, substantial damage, extremely outrageous act or unlawful occupant. ORS 90.396 or 90.403.
- 24-hour or 48-hour notice for violation of a drug or alcohol program. ORS 90.398.
- 24-hour notice for perpetrating domestic violence, sexual assault or stalking. ORS 90.445.
- 72-hour notice for nonpayment of rent in a week-to-week tenancy. ORS 90.394 (1).
- 7-day notice with stated cause in a week-to-week tenancy. ORS 90.392 (6).
- 10-day notice for a pet violation, a repeat violation in a month-to-month tenancy or without stated cause in a week-to-week tenancy. ORS 90.392 (5), 90.405 or 90.427 (2).
- 10-day or 13-day notice for nonpayment of rent. ORS 90.394 (2).
- 20-day notice for a repeat violation. ORS 90.630 (5).
- 30-day, 60-day or 180-day notice without stated cause in a month-to-month tenancy. ORS 90.427 (3)(b) or (8)(a)(B) or (C) or 90.429.
- 30-day notice with stated cause. ORS 90.392, 90.630 or 90.632:
 - The stated cause is for nonpayment as defined in ORS 90.395.
- 60-day notice with stated cause. ORS 90.632.
- 90-day notice with stated cause. ORS 90.427 (5) or (7).

