HB 3054A: FREQUENTLY ASKED QUESTIONS

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NOTE: The relevant statutes cover both manufactured home ("MH") tenancies in parks and floating home tenancies in marinas.

1. **How are MH park tenancies different from apartment tenancies?**

a. Park tenants are homeowners; they own and occupy their MHs and rent spaces in the park; they pay property taxes like other homeowners.

b. MHs appreciate; Ts hope to realize that appreciation when they sell their MH and leave the park, and use those funds to cover their next housing, which for seniors is likely to be assisted living.

c. If Ts are evicted, for example for being unable to afford the increased rent, they are likely to lose their MH.

d. Ts must maintain their homes, and can be evicted for failure to do so.

e. Ls only need to maintain the park infrastructure, not the homes.

f. Not a free market; once a T owns a MH in a park, the T essentially cannot move the MH.

g. Oregon L/T laws have treated these two kinds of tenancies differently since 1975.

h. Many park tenants are seniors on fixed incomes. Social Security payments do not increase by 10 percent per year.

2. **What amendments did you make in the House, and why?**

a. Amended the bill to set the annual rent increase cap at 6 percent. The bill originally proposed a rent increase cap of no greater than the annual increase in the consumer price index ("CPI"). Landlords testified, at the hearing and in written submittals, that this was too low to cover their costs. They also testified that their average rent increases in recent years averaged about 5.39 percent. (As an average, some were more, some less.) A rent increase cap of 6 percent is a compromise, higher than tenants wanted, but less than the current cap for all residential tenancies of 7 percent plus CPI, capped at 10 percent. Note that Washington State last month passed a bill (awaiting the Governor's signature) setting a rent increase cap for MH park tenancies of 5 percent.

b. Deleted a proposal to limit rent increases in between tenancies – known as rent reset – to 10 percent. Landlords argued that they need to be able to raise rents significantly, without limitation, for new tenancies to cover their costs; tenants dislike rent resets because the higher rent charged for a buyer of their MH depresses the sale price for selling tenants and causes a loss of equity.

c. Added an exception from the new lower rent increase cap of 6 percent for smaller parks, with 30 spaces or less. Landlords argued that small parks have fewer spaces/tenants to share costs. These parks will still be covered by the current rent increase law, with a cap of 10 percent. Note that one-third of the 1,051 Oregon parks have 30 spaces or less.

d. Added a provision allowing a landlord of a large park to raise the rent by 12 percent once every 5 years with the support of a majority of the park tenants, requiring the landlord to convince a majority of tenants that the increase is needed to address a significant infrastructure need.

e. Deleted a proposal to have OHCS do a survey of capital/infrastructure needs for MH parks in Oregon, as a first step toward creating a fund to assist with those needs. Landlords did not support this proposal.

**NOTE that we considered landlord testimony, oral and written, and had two conversations with the representative of the larger of the two landlord groups, seeking to address their concerns and hoping to get their support or neutrality. The House amendments are intended to address their concerns. The landlord representative did not suggest any compromises.**

3. **Is there any official data about rent increases in MH parks in Oregon?** No; Ls are not required to report rent levels or increases to anyone, although we will present testimony showing some market tracking. And OSTA did a survey of tenants last fall which showed great concern over rent increases; we will share that.

4. **What about sudden and significant repair needs, such as failing sewer systems?**

    a. All property owners, including park owners and park tenants, should have a capital reserve.

    b. Current law does not include anything to address this issue. Defeating this bill would not change this situation.

    c. We have tried to address it with the once-every-five-years 12 percent rent increase.

    d. And the removal of the proposed limitation on rent resets.

    e. Many park tenants report that their landlords do very little maintenance now. As reported in the OSTA survey.

5. **Would Section 4 of the bill prevent landlords from requiring their tenants to maintain their homes?**

    a. No. The amendment in Section 4 of the bill, to existing ORS 90.680, addresses "aesthetic improvements." Not maintenance of the MH.

    b. The bill does not change ORS 90.630 (3), which allows a landlord to terminate the tenant's tenancy if the tenant fails to maintain the MH by addressing any "disrepair" or "deterioration." These terms are defined in ORS 90.505, and the definitions give examples – such as peeling or faded paint and "creating a safety hazard." And under ORS 90.412 (4) (d) a park landlord never waives this right, and can enforce it during the tenancy or at the time of a sale/new tenancy.

    c. ORS 90.505 expressly exempts "aesthetic or cosmetic concerns" from the definition of deterioration.

    d. The references to improvements in ORS 90.512, 90.514, and 90.518 reflect a bill developed in 2001 by a task force led by then Attorney General Hardy Myers seeking to address abuses by landlords and dealers in what are called "park packages," improvements that a T must make when moving a MH into a new park with undeveloped spaces – improvements to the space, not the MH. ORS 90.512 defines "improvements" by cross-referencing ORS 646A.050, which defines "improvements" as "goods and services not included in the base price [of the MH] that are, in general, needed to prepare a site and complete the setup of a manufactured dwelling." Consistent with this, the Oregon AG has adopted rules, as required by ORS 90.516, requiring a written "site improvement disclosure statement." OAR 137-020-0565. The amendments in Section 4 of the bill to ORS 90.680 (9) and (14) all relate to "aesthetic improvements" to an existing MH, already placed on a site in the park, in a sale by an existing tenant to a

prospective new tenant, not to improvements to the space. Section 4 does not change a landlord's ability to require a selling tenant to address disrepair or deterioration. Nor to a landlord's ability to requite site improvements as provided by ORS 90.510 (5). There is no conflict here – and if there were, it would have existed between 2001 and 2017, when ORS 90.680 was amended to add the language now proposed to be deleted – but there were no lawsuits over this "conflict."

6. **Will this bill discourage construction of new MH parks?** No; there have been no new MH parks developed or opened in Oregon in the past ten years, which includes the period before the 10 percent rent cap went into effect (2019).

7. **Will the bill cause parks to close?** No, even with the 2019 rent cap, only 1 park has closed in the past 5 years, and that was due to fire damage. We will present testimony that the market demand for sales of existing parks is very strong. Investors view parks as a very attractive investment. Tenants consider themselves to be "cash cows." State data shows that there have been 65 park sales – sales in which the park continued to serve as a MH park – in the five years between 2020 and 2024; there has been 1 so far in 2025. Note that the majority of the sales – 47 – were in 2021 and 2022.

**What does the bill do?** See the separate one-page description of the bill.