

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: SB 608

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Prohibits landlord from terminating month-to-month tenancy without cause after 12 months of occupancy.

Government Unit(s) Affected:

Cities, Counties, Department of Administrative Services (DAS), Oregon Judicial Department (OJD)

Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Analysis:

The measure would eliminate the potential for many “no cause” evictions on residential tenancies after the first year of tenancy. It would impose a “for cause” standard on any evictions occurring after 12 months, prohibiting landlords from terminating tenancies without cause except for qualifying reasons. Landlords would generally have to provide tenants advanced, written notice, ranging from 30 to 90 days. Any landlord owning more than four residential units that terminates a tenancy would be required to pay the tenant the equivalent of one month’s periodic rent at the time of the delivery of the termination notice. Any landlord violating these terms would be liable to the tenant in an amount equal to three month’s rent plus actual damages, and the tenant would have a defense in an action for possession by the landlord.

The measure would also cap rental rate increases by prohibiting landlords from increasing rent on any tenancy (other than week-to-week tenancies) during any 12-month period in an amount greater than seven percent (7%), plus the consumer price index, above the existing rent. It would prohibit landlords, after executing a no-cause eviction in the first year of tenancy, from raising the rent on a new tenant in an amount greater than seven percent (7%), plus the consumer price index, above the previous rent. Any landlord raising rent beyond the statutory cap (for which no exception applied) would be liable to the tenant for three month’s rent plus actual damages.

Cities

Cities serve only as back up to County Sheriff offices in executing evictions. Cities anticipate the measure would have a minimal fiscal impact on their expenditures. Though unlikely, the measure could increase overall evictions.

Counties

Evictions are executed by County Sheriff offices. Counties anticipate that the measure would have no fiscal impact on their expenditures. Though unlikely, the measure could increase overall evictions.

Department of Administrative Services

The measure would require the Department of Administrative Services (DAS) to publish the maximum annual rent increase in a press release, as well as maintain publicly available information on its website about the maximum annual rent increase percentage for the previous calendar year and the current calendar year. The measure would have a minimal fiscal impact on DAS.

Oregon Judicial Department

The Oregon Judicial Department (OJD) anticipates a slight decrease in “no cause” evictions, which would be offset by a slight increase in “for cause” evictions. OJD anticipates that the measure would have a minimal fiscal impact on its overall operations. Though unlikely, the measure could increase forcible entry and wrongful detainer (FED) filings and answers, small claims actions, or related appeals, if not lengthen these proceedings.