

House Bill 2629

Sponsored by Representative LININGER; Representatives BOONE, BUCKLEY, GREENLICK, NATHANSON, REARDON, SMITH WARNER, VEGA PEDERSON, Senator GELSER (Pre-session filed.)

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**.

Requires owners of rental property subject to federal rural rental housing loans to provide one year's notice of date of maturity of loans to tenants, Housing and Community Services Department, housing authorities and local governments.

Provides that owners' failure to provide notice entitles tenants to continue residing on rental properties until expiration of one-year period without increase in rent.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to notice of maturity of rural rental housing loans; and declaring an emergency.

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

SECTION 1. (1) The Legislative Assembly finds that:

4
5 (a) **There is a significant number of rental properties in this state whose owners have**
6 **obtained rural rental housing loans from Rural Development or the Farm Service Agency of**
7 **the United States Department of Agriculture under 7 C.F.R. 3560. Many of these rental**
8 **properties contain rental units in which very low, low and moderate income families, elderly**
9 **persons and persons with disabilities live and receive federal rental assistance.**

10 (b) **Beginning in 2015, many of the mortgage loans made to the owners of these rental**
11 **properties will mature and federal rental assistance to tenants residing on these rental**
12 **properties will no longer be available.**

13 (c) **Currently, there is no legal mechanism in place requiring the owners of these rental**
14 **properties to provide notice of loan maturity to tenants, the Housing and Community Ser-**
15 **vices Department, housing authorities as defined in ORS 456.005 and local governments.**

16 (d) **Requiring notice one year before maturity of a loan described in paragraph (a) of this**
17 **subsection would provide:**

18 (A) **Tenants with time to locate alternative housing and rental assistance; and**

19 (B) **The Housing and Community Services Department, housing authorities and local**
20 **governments with time to work with Rural Development or the Farm Service Agency of the**
21 **United States Department of Agriculture to develop arrangements that will protect the**
22 **housing status of existing tenants.**

23 (2) **The owner of any rental property that has received a rural rental housing loan from**
24 **Rural Development or the Farm Service Agency of the United States Department of Agri-**
25 **culture under 7 C.F.R. 3560 shall, one year before maturity of the loan, provide written notice**
26 **by registered mail or by certified mail with return receipt of the date upon which the loan**
27 **matures to:**

28 (a) **Tenants residing on the rental property that is the subject of the loan on the date**

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 that is one year before the date of loan maturity to the property address at which the ten-
2 ants reside;

3 (b) The Housing and Community Services Department;

4 (c) The local housing authority as defined in ORS 456.375 that is located in the county
5 or area of operation in which the rental property is located; and

6 (d) The local government in the area in which the rental property is located.

7 (3) Failure to provide the notice required by this section entitles tenants residing on the
8 rental property on the date that is one year before the date of loan maturity to continue
9 residing on the rental property without any increase in the amount of the rent or lease
10 payment charged as of the date that is one year before the date of loan maturity, until ex-
11 piration of the one-year period until the date of loan maturity.

12 (4) As used in this section, "local government" means cities and counties.

13 **SECTION 2.** (1) Section 1 of this 2015 Act applies to rural rental housing loans made be-
14 fore, on or after the effective date of this 2015 Act.

15 (2) Notwithstanding subsection (1) of this section, section 1 of this 2015 Act does not af-
16 fect a contract made before the effective date of this 2015 Act to the extent compliance with
17 the provisions of section 1 of this 2015 Act conflict with or impair the execution of the terms
18 of the contract.

19 **SECTION 3.** This 2015 Act being necessary for the immediate preservation of the public
20 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect
21 on its passage.

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