

## HB 2004 A -A9 STAFF MEASURE SUMMARY

### Senate Committee On Human Services

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**Meeting Dates:** 5/3, 5/31

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#### WHAT THE MEASURE DOES:

Permits landlord to terminate month-to-month tenancy without cause in first six months of tenancy with 30 day notice. Requires cause and 30 day notice when landlord terminates month-to-month tenancy after six months or fixed term tenancy. Specifies exceptions and requirements for their use. Permits certain landlords living on property to terminate tenancy without cause with 30 day notice during first year of tenancy or 60 day notice thereafter.

Permits tenant to terminate month-to-month tenancy or fixed term tenancy without cause with specified 30 day notice. Requires landlord offer renewal of fixed term tenancy within 90 days of end of tenancy. Requires fixed term convert to month-to-month tenancy if landlord does not offer renewal, tenant fails to accept offered renewal, or tenant fails to terminate tenancy. Establishes penalties and one year statute of limitations for violations.

Permits city or county to implement rent stabilization program, and specifies requirements for such programs. Sets effective dates for fixed term and month-to-month tenancy provisions. Declares emergency, effective on passage.

*FISCAL: Minimal Expenditure Impact*

*REVENUE: No Revenue Impact*

#### ISSUES DISCUSSED:

- Provisions of House amendments and local governments' capacity to determine fair rates of return
- Impact of "no cause" terminations and increasing rents on tenants and communities
- Available tools for landlords to manage properties and impact of measure on landlords
- Housing stability and affordability as issues of statewide importance

#### EFFECT OF AMENDMENT:

-A9 Replaces provisions. Defines terms. For month-to-month tenancy, permits landlord to terminate tenancy in first nine months of tenancy with 30 day notice. Prohibits termination of month-to-month tenancy within 60 days of tenant request for repairs. After first nine months of tenancy, permits landlord to terminate tenancy only for cause with notice or under specified exception.

For fixed term tenancy, permits tenant to terminate tenancy without cause with 30 day notice to landlord. Permits landlord to terminate tenancy only for cause. Requires landlord to provide notice and option to renew tenancy within 90 days of end of fixed term. Provides that fixed term automatically turns to month-to-month tenancy if neither landlord nor tenant terminate tenancy after end of fixed term.

Permits landlord to terminate month-to-month tenancy after first nine months with 90 day notice if landlord intends in good faith to: demolish or convert unit to nonresidential use; undertake renovation or repairs rendering unit uninhabitable during work; has sold unit as a primary residence and provided notice to tenant; list unit for sale and given 30 day notice to tenant; or use unit as landlord's immediate family's primary residence. Establishes notice requirements and tenancy termination fees.

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Permits certain landlords living on property to terminate tenancy without cause with 30 day notice during first year of tenancy or 60 day notice thereafter. Establishes penalties for violation of provisions and statute of limitations. Prohibits landlord from raising rent on week-to-week or month-to-month tenancy more than once per 12 month period.

*FISCAL: May Have Fiscal Impact, But No Statement Yet Issued*

*REVENUE: May Have Revenue Impact, But No Statement Yet Issued*

### **BACKGROUND:**

Current Oregon law allows landlords to terminate a month-to-month tenancy by giving the tenant 30 day notice. Fixed term tenancies can be terminated by either landlords or tenants at any time without cause during the tenancy upon 30 day notice prior to the end of the term, or 60 day notice for terminations after the end of the fixed term without cause. Cities and counties are currently preempted from enacting rent control ordinances.

House Bill 2004-A permits a landlord to terminate a month-to-month tenancy at any time without cause during the first six months of occupancy with 30 day notice, and requires landlords to provide cause for terminations after the first six months of a month-to-month tenancy in addition to 30 day notice. It requires landlords to provide cause and 30 day notice prior terminating a fixed term tenancy. The measure permits a landlord living on the same property with two rental units or less to terminate a tenancy at any time without cause after 30 day notice during the first year of the tenancy, and 60 day notice after the first year of tenancy.

House Bill 2004-A permits both month-to-month tenants and fixed term tenants to terminate a tenancy at any time without cause upon 30 day notice. It also requires fixed term tenancies to become month-to month tenancies after the end of the term if the landlord fails to offer a renewal of fixed term tenancy, the tenant does not accept an offer to renew, or the tenant fails to terminate the tenancy. The measure requires landlords offer to renew a fixed term tenancy with at least 90 days left in the term. House Bill 2004-A also provides exceptions for landlords to provide cause for terminating month-to-month tenancies or avoiding renewal of fixed term tenancies upon 90-day notice.

Exceptions include good faith efforts to: undertake renovations or repair units unfit for occupancy; demolish or convert the unit to nonresidential use; sell the unit (with specified notice) as a primary residence; or use the unit as the landlord's or immediate family's primary residence if the landlord does not own a comparable unoccupied unit. Certain landlords are required to explain in the notice the exception used and pay the tenant one month's rent. Landlords using a repair or renovation exemption must give the previous tenant a chance to renew before renting the repaired unit for rent to another. The measure requires landlords violating its provisions to pay three month's rent plus damages to the tenant. The tenant can also use violations as a defense against possession actions.

Finally, House Bill 2004-A also permits a city or county to implement rent stabilization programs within their jurisdiction. The measure specifies that rent stabilization programs must include provisions for landlords to get a fair rate of return, a process for landlord to petition an increase in rent to achieve a fair rate of return, and exempt new residential developments for five years from the stabilization program.