

Senate Bill 608 Update

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SB 608

Rent Control

- State-wide

Termination Notices

- Limits no-cause
- Expands for-cause

SB 608

Rent Control

- Prohibits rent increases in first year of tenancy.

SB 608

Rent Control

- Limits rent increase to 7% plus Consumer Price Index (CPI) during any 12 month period.

Rent Control

Consumer Price Index (CPI)

- Published by U.S. Bureau of Labor Statistics.
- Calculated by Oregon Department of Administrative Services by September 30 of each year (for the following year).
- 2019 CPI is 3.3%; 2019 rent cap is 10.3%.

Rent Control

Exceptions

No limit on increases after a tenant vacates

- **UNLESS** prior tenancy was terminated without cause, in which case the next tenant's rent may not exceed 7% + CPI of the prior tenant's rent.

Rent Control

Exceptions

No limit on increases within 15 years of first certificate of occupancy for the unit

- Rent increase notices relying on this exemption must describe facts supporting the exemption.

Example: First certificate of occupancy issued on January 2, 2014.

Rent Control

Exceptions

Landlord provides reduced rent to Tenant as part of a federal, state or local program or subsidy

- Rent increase notices relying on this exemption must describe facts supporting the exemption.

Example: Landlord provides reduced rent as part of the LIHTC federal program.

Rent Control Exceptions - M065



OREGON RENEWAL OFFER/ RENT INCREASE NOTICE



DATE _____ PROPERTY NAME / NUMBER _____
 RESIDENT NAME(S) _____
 UNIT NUMBER _____ STREET ADDRESS _____
 CITY _____ STATE _____ ZIP _____

Thank you for your residency. We hope to continue this relationship with you into the future.

Your current fixed-term lease expires on _____. You are currently on a month-to-month agreement.

We would like to offer you the opportunity to sign a new fixed-term lease with us. Please choose from one of the following options, which will take effect on _____ ("Effective Date"). **Lease term availability will be offered on a first-come, first-served basis.**

CURRENT		<input type="checkbox"/> OPTION 1 (FIXED-TERM)		<input type="checkbox"/> OPTION 2 (FIXED-TERM)		<input type="checkbox"/> OPTION 3 (MONTH-TO-MONTH)	
		Available Term(s) _____		Available Term(s) _____			
	CHARGE	INCREASE	NEW CHARGE	INCREASE	NEW CHARGE	INCREASE	NEW CHARGE
Rent	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Pet Rent	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Parking Rent	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Storage Rent	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Utilities*	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

If the month-to-month rent increase over the preceding 12-month period exceeds 7% plus the consumer price index, Owner/Agent is exempt as follows:

The first certificate of occupancy for the dwelling unit was issued less than 15 years prior to the date of this notice:

Date of certificate of occupancy was _____

Owner is providing reduced rent to Resident as part of the following federal, state or local program or subsidy: _____

Additional information: _____

PRODUCED WITHOUT WRITTEN PERMISSION. Revised 2.07.019.

Rent Control

Penalties

Liability for raising rent above limits:

- 3 months rent penalty;
- Actual damages;
- Potential attorney fees;
- Defense to eviction action for nonpayment.

WARNING: Landlord-Tenant class action suits trending!

Rent Control

FAQs

Does SB 608 preempt Portland's relocation law?

- ANSWER: Not explicitly.

Note: 2 local judges have taken opposite positions on preemption.

Rent Control

FAQs

Are the rent increase notices I already sent affected by the new law?

- ANSWER: Not if they were delivered before February 28, 2019.

Rent Control

FAQs

Does SB 608 limit increases on anything other than rent?

- ANSWER: No.

No Cause Notices

End of Tenancy (aka 'no-cause') Notices

- Now may only be issued in first year of occupancy ("FYO").
- FYO begins when last tenant moved in.
- All leases automatically convert to Month-to Month (MTM) unless terminated with notice.

Termination Notices

No-Cause Notices in FYO

Timing

- Applies to month-to-month (MTM) and fixed-term tenancies;
30-days notice issued any time during first year of occupancy.

*NOTE: (local municipalities may have additional requirements
E.g. 90-days & relo).*

Termination Notices

No-Cause Notices Live-In Landlord Exception

**1.) Live-in landlord at properties with up to 2 dwellings
may issue no-cause after FYO with:**

- 60-days notice for MTM.

Termination Notices

No-Cause Notices Live-In Landlord Exception, continued

2.) 30-days notice for MTM if:

- The dwelling is bought separately from other unit;
- by buyer intending to use as primary residence; and
- Landlord gives tenant notice + written evidence of offer within 120-days of acceptance.

Termination Notices

No-Cause Notices

Live-In Landlord Exception, continued

3.) 30-days for fixed-term tenancy

Termination Notices

New Landlord Based For-Cause Terminations

**New for-cause termination notices for qualifying
landlord reasons (“QLR”)**

Termination Notices

QLR continued

QLR #1 (demo/conversion)

- Landlord intends to demolish the unit or convert it to a non-residential use within a reasonable time.

Termination Notices

QLR continued

QLR #2 (major repairs/renovations)

- Landlord intends to undertake repairs or renovations within a reasonable time and
 - a. the premises is currently unsafe or unfit for occupancy; **or**
 - b. the dwelling will be unsafe or unfit for occupancy during repairs or renovations.

Termination Notices

QLR continued

QLR #3 (Landlord/family move in)

- Landlord intends to move Landlord or immediate family member into dwelling as primary residence; AND
- Landlord owns no other comparable units in the building that are available when Tenant receives the notice.

Termination Notices

QLR continued

QLR #4 (sold for primary residence)

- Landlord accepts offer to purchase dwelling separately from any other unit;
- by buyer intending to use as primary residence; and
- Landlord gives tenant notice + written evidence of offer within 120-days of acceptance.

Termination Notices

QLR continued

QLR Notice Requirements

- 90-days notice.
- Specify QLR reason + supporting facts.
- Include payment of 1 month's rent, **unless** Landlord has ownership interest in 4 or less dwelling units.

Recommendation: Use MFNW Form M084

Termination Notices

Non-Renewal for Repeat Violations

General Requirements

- Fixed-term expiring after FYO;
- Tenant given 3 or more written warning notices of violations within 12 months;
- 90-days termination notice.

Termination Notices

Non-Renewal for Repeat Violations

Warning Notice Requirements

- Given at time of violation;
- Specifies the violation;
- States that:
 - Landlord may choose to terminate at end of fixed term if there are 3 or more violations within a 12-month period before the term ends; **and**
 - Correcting third or subsequent violation is not a defense under ORS 90.427(7).

Termination Notices

Non-Renewal for Repeat Violations

Warning Notice Requirements, continued

- MFNW forms users: required warning disclosure added to most notices.

Termination Notices

Non-Renewal for Repeat Violations

Termination Notice Requirements

- 90-days written notice;
- Specifies reason for termination and supporting facts; and
- Delivered concurrent with or after third or subsequent warning notice.

Recommendation: Use MFNW Form M083.

Termination Notices

Penalties

Termination Notice Requirements

- 3 months rent penalty;
- Actual damages to the tenant;
- Potential attorney fees;
- Defense to eviction action for nonpayment.

Termination Notices

SB608 Applicability

Changes to the Termination Notice Applies to:

- MTM no-cause notices terminating on or after March 31, 2019.

Termination Notices

SB608 Applicability

Changes to the Termination Notice Applies to:

- Fixed-term tenancies entered into or renewed on or after February 28, 2019.

SB 608 Update

Disclaimer

This update is not comprehensive or a substitute for legal advice on your particular situation.

SB 608 Update

Q & A

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