

## **2013 Oregon Legislative Session Closes – Several Bills Passed That Affect Landlord Tenant**

### **Law**

By Jim Straub, ORHA Legislative Director

The 2013 Oregon Legislative Session came to a close on July 8<sup>th</sup>, and several successful bills may directly affect your rentals. Look for ORHA sponsored educational workshops in the coming year that will maximize your understanding of how these bills will directly impact you. In the meantime, here are summaries of the major bills affecting landlords in Oregon. To read the full text of each bill or for more information, be sure to visit the Oregon Legislature's bill website at [http://www.leg.state.or.us/bills\\_laws/](http://www.leg.state.or.us/bills_laws/). As always, contact your local ORHA chapter with comments or questions.

### **Senate Bill 91**

- Landlord Tenant Coalition "Omnibus" Bill, has many components.
- Will take effect January 1, 2014.
- Allows landlords to require Renters' Insurance under certain circumstances:
  - May require Renters' Insurance in an amount not to exceed \$100,000 per occurrence or the amount customary in the rental area, whichever is greater
  - Disclosure of insurance requirement must be made to tenant prior to tenancy (and presumably included in rental agreement). Amends application screening law to require disclosure of any Renters' Insurance requirements
  - May require documentation of insurance be produced prior to taking occupancy of rental
  - May require insurance of an existing month-to-month tenancy, in which case landlord gives 30 day notice of change of terms. If tenant does not comply, may serve notice of termination but tenant may cure by obtaining required insurance
  - May require tenant periodically produce documentation that insurance is current
  - In order to require Renters' Insurance, landlord must also obtain liability insurance for the rental and must produce documentation of insurance to tenant upon request. If insurance is required, disclosure of landlord's insurance and documentation obligations must also be included in rental agreement.
  - Neither landlord nor tenant may "harass" each other for insurance documentation
  - Landlord cannot require tenant obtain insurance through a particular company, and cannot demand to be made an additional insured
  - Cannot demand tenant waive their subrogation rights
  - Landlord can only make claim against tenant's insurance policy if: tenant is legally liable for damages; damages are beyond normal wear/tear; claim is greater than the amount of the security deposit; landlord provides copy of claim to tenant at time it is filed. Tenant may be awarded actual damages plus \$500 for frivolous claims by landlord.
  - Landlord cannot require Renters' Insurance if household income of tenant is equal to or less than 50% of area median income, property is federally subsidized or receives certain blocks grants.
- Processing applications – landlords cannot consider prior FED/Evictions if:
  - FED dismissed or judgment in favor of applicant prior to submission of application. (This provision does not apply to FED's still pending at time application submitted.)
  - FED judgment against applicant five years or more prior to submission of application.
- Processing applications – landlords cannot consider arrests if:
  - Arrest did not result in a conviction. (This provision does not apply if charges for arrest are not dismissed at time of application.)

- Processing applications – landlords MAY consider criminal convictions or charging history if the conviction or charge is for conduct that is:
  - Drug-related crime
  - Person crime
  - Sex offense
  - A crime involving financial fraud, including identity theft and forgery
  - Any other crime if the conduct for which the applicant was convicted or charged is of a nature that would adversely affect property of the landlord or a tenant or the health, safety or right to peaceful enjoyment of the premises of residents, the landlord or the landlord’s agent
- Clarifies that written temporary occupancy agreement may be made between landlord, tenant & temporary occupant. Clarifies that:
  - Temporary occupant does not have tenancy rights
  - Temporary occupancy agreement may be terminated by tenant at any time without cause and by landlord only for cause for material violation of the agreement (with no right to cure violation). No written notice of termination to temporary occupant is required.
  - Landlord may screen temporary occupant for conduct and criminal record. Cannot screen for credit history or income.
  - Temporary occupant treated as squatter if doesn’t leave after agreement terminated
  - Tenancy cannot consist of one sole temporary occupant.
- Clarifies landlord may claim from the security deposit only the amount reasonably necessary; Damages for which a landlord may recover include:
  - Carpet that was cleaned [*immediately*] or replaced after the previous tenancy or the most recent significant use of the carpet and before the tenant took possession
  - Loss of use of the dwelling unit during the performance of necessary cleaning or repairs, for which the tenant is responsible if the cleaning or repairs are performed in a timely manner.
- Clarifies landlord may charge a tenant up to \$250 unless the State Fire Marshal assesses the tenant a civil penalty for the conduct (tampering with smoke alarm)
- Amends non-compliance fees – may be assessed for violations of written rules or policies for:
  - late payment of utility or service charge
  - failure to clean up pet waste from part of premises other than dwelling unit
  - failure to clean up garbage, rubbish or waste from part of premises other than dwelling unit
  - parking violations
  - improper use of vehicles on premises
  - smoking in clearly designated non-smoking unit or area of premises
  - unauthorized pet capable of causing damage to persons or property
  - Landlord must give written warning notice of initial violation that includes possible fees if the same or similar violation occurs within one year. Within one year of warning notice, may assess \$50 fee for 2<sup>nd</sup> same/similar violation and \$50 fees plus 5% of current rent for subsequent same/similar violation.
- Housekeeping clarifications – daily notices end at midnight of the end of the last day of the notice, and hourly notices begin at 11:59 pm of the day post and mailed and end “x” hours later.
- Clarifies landlord must provide a carbon monoxide alarm when located within a structure that contains a carbon monoxide source and the dwelling unit is connected to the room in which the carbon monoxide source is located by a door, ductwork or a ventilation shaft.
- Provides that tenant may give landlord 60 day notice to vacate if they are notified property is in foreclosure. Landlord has 30 days after notice to prove no longer in foreclosure, if applicable.
- Clarifies landlords are responsible for abandoned property

- Clarified payment of rent gives tenant right not just to occupy but to “use the premises”
- Multifamily NW gave up on including the ‘guest’ issue as part of negotiations, and we expect to deal with that topic in future legislative sessions.

#### House Bill 2639

- “Housing Choice Act of 2013”, AKA “The Section 8 bill” sponsored by Speaker Tina Kotek.
- Will take effect July 1, 2014.
- Housing Choice Voucher Program – now includes federal rent subsidies and other local, state, and federal assistance under state protected “source of income”
- Housing Choice Landlord Guarantee Program – provides financial assistance to landlords to mitigate damages caused by subsidized tenants. Guarantee Program funds are distinct from State General Fund. Landlords must submit claim to program within one year of damages and must have a small claims court judgment from the county in which the rental property is located. Claims must value more than \$500 but less than \$5,000. ORHA lobbied hard unsuccessfully for a \$10,000 limit.
- Housing and Community Services must enter into reasonable repayment agreement with responsible tenants for those claims paid out of the Guarantee Program.
- Statewide Housing Choice Advisory Committee will be created to advise program – made up of housing authority representatives, landlords and tenants.

#### House Bill 2562

- Increases civil filing fees by a percentage surcharge (5%) on cases filed and creates a designated fund for revenue raised by increased fee to be used for eCourt development, enhancement and maintenance. Also increases prevailing party fees, which are not retained by the state.

#### OTHER BILLS:

House Bill 2417 - Veteran’s Housing bill that adds \$5 increase to recording fees for that cause.

House Bill 2824 – Patrol towing bill that narrows rules for non-consent towing. This bill passed overwhelmingly in both House and Senate.

Senate Bill 91, the Landlord Tenant Coalition “Omnibus” bill, is a direct result in part of the ORHA Legislative Planning Session that took place in Bend last fall. Before each Legislative session, ORHA holds a planning meeting where members identify their wants, needs and hopes for the upcoming Legislative session and together we work to identify the biggest priorities of our members. I’m pleased to say we included most of our ORHA priorities in this session’s Omnibus bill. Want to be sure your voice is heard next Legislative session? Watch for future ORHA updates and make your plans to attend our next ORHA Legislative Planning Session.