

End of Session Legislative Update:

Let Me Give You the History of this Very Unusual Legislative Session of 2016

By Jim Straub, Legislative Director – Oregon Rental Housing Association

As most of you know, several bills just passed the Oregon Legislature that affect our industry. The most substantial one is House Bill (HB) 4143 and its proposed changes to Oregon landlord tenant law. (Many of these changes were originally introduced in HB 4001, but were subsequently combined with HB 4143.) Our interpretation of the bill language is that HB 4143 will become effective when the Governor signs it, but the bill does allow 30 days after the effective date for the rent increase portions of the bill to go into effect. You can find the full text of the bill online at <https://olis.leg.state.or.us/liz/2016R1/Downloads/MeasureDocument/HB4143>. For updates about when the Governor signs this bill (we expect this any time now), check the Oregon Rental Housing Association's website at <http://www.oregonrentalhousing.com>.

First, I'll itemize what portions of these two bills we defeated for this legislative session (although we do expect tenant advocates to reintroduce these issues in the 2017 legislative session):

- Restrictions on no-cause notices were completely removed from the bill, so the bill contains absolutely no restrictions on the use of no-cause notices
- Tenant relocation assistance from landlords is out
- The presumption of landlord retaliation in the event that a notice is given within six months of a repair request is out
- Penalties of up to three months' rent against landlords who don't follow the law on rent increases is out
- Penalties of up to three months' rent against landlords who don't follow the law on notice of termination is out

Removing these items from the bill is a huge victory for landlords. In addition to the above, we were able to introduce the following language into the bill to benefit landlords:

- The non-compliance fee for tenants smoking in a designated non-smoking unit or area will increase from \$50 to \$250
- There is a fix to last year's law requiring proper safety egress from dwelling units. An unintended consequence to last year's law change meant that some landlords' properties (especially basement dwelling units or high-rise buildings) didn't comply with the new law and might require expensive remodeling. The new changes will specify that the dwelling units comply with current law as long as the "routes of exit conform to applicable law in effect at the time of occupancy of the building or in effect after a renovation or change of use of the building, whichever is later."

The bill will include the following two items for tenants:

- For month-to-month tenancies, no rent increases for the first year
(If you want to increase the rent during the first year of tenancy, you can still do a fixed-term lease of less than one year and raise the rent upon lease renewal. For example, if you rented your unit at an inopportune time of the year, say January, and anticipate needing to raise the rent in June when the rental climate is more favorable, you could simply sign a six month fixed-term lease in January and raise the rent in June, upon lease renewal.)

- Rent increases require a 90 day written notice after the first year (if at least one of the tenants has resided in the rental for one year or more)

Another bill moved forward with ORHA support, as well as support from the Home Builders Association and the Oregon Association of Realtors, is Senate Bill 1533 – inclusionary zoning. Inclusionary zoning is not rent control, but grants certain benefits to builders and developers (low or no cost permits and developer fees, tax breaks, etc.) in exchange for setting aside a certain portion of a development for affordable housing. The bill will allow a city or county, if the local area believes there is enough need to implement it, to provide concessions to new developments only which contain at least 20 units. The city or county may not require more than 20% of a development be affordable. You can find the full text of the bill online at <https://olis.leg.state.or.us/liz/2016R1/Downloads/MeasureDocument/SB1533>.

Another bill, HB 4125, which would have required mandatory well water testing by landlords, died in committee. We do expect it to return in the 2017 legislative session.

It was the concerted outreach efforts of our entire ORHA organization and the tireless efforts of our lobbyist Shawn Miller which put us in a strong position to negotiate with the powerful legislators who were advocating for the original items introduced to the bill. We were able to overcome the odds – at a time when the majority in the House was pushing hard for stronger tenant protections, our voices were heard loud and clear by the legislators. Thanks to all our members who took the time to communicate with their legislators. You made all the difference.