

# 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)	
CHARGE		Available Term(s) _____ INCREASE NEW CHARGE		Available Term(s) _____ INCREASE NEW CHARGE		INCREASE NEW CHARGE	
Rent	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Pet Rent	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Parking Rent	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Storage Rent	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Utilities*	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<b>Total</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

**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 2.07.016.

# 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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