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2020 OR H 4213 a	**Author:** Kotek **Version:** Enacted - Final **Version Date:** 06/30/2020

80th OREGON LEGISLATIVE ASSEMBLY--2020 Special Session

Enrolled

House Bill 4213

Sponsored by Representative KOTEK; Representatives FAHEY, GORSEK, HOLVEY, KENY-GUYER, MARSH, MITCHELL, NERON, NOSSE, PILUSO, POWER, REARDON, SANCHEZ, SCHOUTEN, SMITH WARNER, Senators BURDICK, FAGAN, HASS, WAGNER (at the request of Joint Committee on the First Special Session of 2020)

CHAPTER 013

AN ACT

Relating to evictions; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. The Legislative Assembly finds and declares that:

(1) The provisions of section 3 or 5 of this 2020 special session Act might affect the terms and conditions of certain contracts entered into in this state.

(2) The effects of the provisions of section 3 or 5 of this 2020 special session Act are not substantial because the provisions have a limited scope and duration and are necessary to protect the public health, safety and welfare. For these reasons the provisions do not undermine a contractual bargain, interfere with a party's reasonable expectations or prevent a party from safeguarding or reinstating the party's rights.

(3) Even if a provision of section 3 or 5 of this 2020 special session Act has the effect of undermining a contractual bargain, interfering with a party's reasonable expectations or preventing a party from safeguarding or reinstating the party's rights, the provision is appropriate and reasonable to carry out the significant and legitimate public purpose of responding to the declaration of a state of emergency issued by the Governor on March 8, 2020.

SECTION 2. Section 3 of this 2020 special session Act is added to and made a part of ORS chapter 90.

SECTION 3. (1) As used in this section:

(a) "Emergency period" means the period beginning on April 1, 2020, and ending on September 30, 2020.

(b) "Nonpayment" means the nonpayment of a payment that becomes due during the emergency period to a landlord, including a payment of rent, late charges, utility or service charges or any other charge or fee as described in the rental agreement or ORS 90.140, 90.302, 90.315, 90.392, 90.394, 90.560 to 90.584 or 90.630.

(c) "Nonpayment balance" includes all or a part of the net total amount of all items of nonpayment by a tenant.

(d) "Termination notice without cause" means a notice delivered by a landlord under ORS 90.427 (3)(b), (4)(b) or (c), (5)(a) to (c), or (8)(a)(B) or (b)(B).

(2) During and after the emergency period and notwithstanding this chapter or ORS 105.105 to 105.168, a landlord may not, and may not threaten to:

(a) Deliver a notice of termination of a rental agreement based on a tenant's nonpayment balance;

(b) Initiate or continue an action under ORS 105.110 to take possession of a dwelling unit based on a notice of termination for nonpayment delivered on or after April 1, 2020;

(c) Take any action that would interfere with a tenant's possession or use of a dwelling unit based on a tenant's nonpayment balance;

(d) Assess a late fee or any other penalty on a tenant's nonpayment; or

(e) Report a tenant's nonpayment balance as delinquent to any consumer credit reporting agency.

(3) Notwithstanding ORS 90.220 (9), before applying payments received from a tenant or on behalf of a tenant to a tenant's nonpayment balance, a landlord shall first apply the payments, in the following order, to:

(a) Rent for the current rental period;

(b) Utility or service charges;

(c) Late rent payment charges; and

(d) Fees or charges owed by the tenant under ORS 90.302 or other fees or charges related to damage claims or other claims against the tenant.

(4) During the emergency period, a landlord may provide a written notice to a tenant stating that the tenant continues to owe any rent due. The notice must also include a statement that eviction for nonpayment is not allowed before September 30, 2020.

(5)(a) During the emergency period, a landlord may not deliver a termination notice without cause and may not file an action under ORS 105.110 based on a termination notice without cause.

(b) If the first year of occupancy would end during the emergency period, for the purposes of a termination notice without cause, the "first year of occupancy" is extended to mean a period lasting until 30 days following the emergency period.

(6) Following the emergency period, a tenant with an outstanding nonpayment balance has a six-month grace period that ends on March 31, 2021, to pay the outstanding nonpayment balance.

(7) Following the emergency period, a landlord may deliver a written notice to a tenant that substantially states:

(a) The date that the emergency period ended;

(b) That if rents and other payments that come due after the emergency period are not timely paid, the landlord may terminate the tenancy;

(c) That the nonpayment balance that accrued during the emergency period is still due and must be paid;

(d) That the tenant will not owe a late charge for the nonpayment balance;

(e) That the tenant is entitled to a six-month grace period to repay the nonpayment balance that ends on March 31, 2021;

(f) That within a specified date stated in the notice given under this subsection that is no earlier than 14 days following the delivery of the notice, the tenant must pay the nonpayment balance or notify the landlord that the tenant intends to pay the nonpayment balance by the end of the six-month grace period described in subsection (6) of this section;

(g) That failure of a tenant to give notice to the landlord of utilization of the grace period described in subsection (6) of this section may result in a penalty described in subsection (10) of this section; and

(h) That rents and other charges or fees that come due after the emergency period must be paid as usual or the landlord may terminate the tenancy under ORS 90.392, 90.394 or 90.630.

(8)(a) If a landlord gives a notice as described in subsection (7) of this section, a tenant who has an outstanding nonpayment balance as of the date listed on the landlord's notice as described in subsection (7)(f) of this section must notify the landlord of the tenant's intention to use the grace period described in subsection (6) of this section to pay the nonpayment balance.

(b) The tenant's notice under this subsection must be actual notice described in ORS 90.150 or notice given by electronic means, and must be given to the landlord by the date given in the landlord's notice as described in subsection (7)(f) of this section.

(9) The landlord's notice described in subsection (7) of this section may offer an alternate voluntary payment plan for payment of the nonpayment balance, but the notice must state that the alternate payment plan is voluntary.

(10) A tenant's failure to give the notice required by subsection (8) of this section to a landlord entitles the landlord to recover damages equal to 50 percent of one month's rent following the grace period.

(11) If a landlord violates this section, a tenant may obtain injunctive relief to recover possession or address any other violation of this section and may recover from the landlord an amount up to three months' periodic rent plus any actual damages.

(12) ORS 90.412 does not apply to a landlord that accepts a partial rent payment.

SECTION 4. Section 3 of this 2020 special session Act is repealed on March 31, 2021.

SECTION 5. (1) As used in this section:

(a) "Emergency period" means the period beginning on April 1, 2020, and ending on September 30, 2020.

(b) "Landlord" means the owner, lessor or sublessor of a rental unit or the building or premises of which the rental unit is a part, or a person who is authorized by the owner, lessor or sublessor to manage the premises or to enter into a rental agreement.

(c) "Nonpayment" includes the nonpayment of rent, late charges, utility charges or any other service charge or fee, as described in the rental agreement or ORS 91.090, 91.210 or 91.220, during the emergency period.

(d) "Nonpayment balance" includes all or a part of the net total amount of all items of nonpayment by a tenant.

(e) "Rental unit" means a structure or part of a structure for use as a commercial space by a tenant.

(f) "Tenant" means an individual or organization entitled under a rental agreement to occupy a rental unit to the exclusion of others.

(2) During and after the emergency period and notwithstanding ORS chapter 91 and ORS 105.105 to 105.168, a landlord may not, and may not threaten to:

(a) Deliver a notice terminating a rental agreement for a rental unit based on a tenant's nonpayment;

(b) Initiate or continue an action under ORS 105.110 to take possession of a rental unit based on a termination notice for nonpayment delivered on or after April 1, 2020; or

(c) Take any action that would interfere with a tenant's possession or use of a rental unit based on a tenant's nonpayment.

(3) Notwithstanding any provision in the rental agreement, a landlord may not impose a late fee or other penalty on a tenant for nonpayment under this section.

(4) Following the emergency period, a tenant with an outstanding nonpayment balance has a six-month grace period that ends on March 31, 2021, to pay the outstanding nonpayment balance.

(5) Following the emergency period, a landlord may deliver a written notice to a tenant that substantially states:

(a) The date that the emergency period ended;

(b) That if rents and other payments that come due after the emergency period are not timely paid, the landlord may terminate the tenancy;

(c) That the nonpayment balance that accrued during the emergency period is still due and must be paid;

(d) That the tenant will not owe a late charge for the nonpayment balance;

(e) That the tenant is entitled to a six-month grace period to repay the nonpayment balance that ends on March 31, 2021;

(f) That within a specified date stated in the notice given under this subsection that is no earlier than 14 days following the delivery of the notice, the tenant must pay the nonpayment balance or notify the landlord that the tenant intends to pay the nonpayment balance by the end of the six-month grace period described in subsection (4) of this section;

(g) That failure of a tenant to give notice to the landlord of utilization of the grace period described in subsection (4) of this section may result in a penalty described in subsection (8) of this section; and

(h) That rents and other charges or fees that come due after the emergency period must be paid as usual or the landlord may terminate the tenancy.

(6)(a) If a landlord gives a notice as described in subsection (5) of this section, a tenant who has an outstanding nonpayment balance as of the date listed on the landlord's notice as described in subsection (5)(f) of this section must notify the landlord of the tenant's intention to use the grace period described in subsection (4) of this section to pay the nonpayment balance.

(b) The tenant's notice under this subsection must be given in compliance with ORS 91.110 or notice given by electronic means, and must be given to the landlord by the date given in the landlord's notice as described in subsection (5)(f) of this section.

(7) The landlord's notice described in subsection (5) of this section may offer an alternate voluntary payment plan for payment of the nonpayment balance, but the notice must state that the alternate payment plan is voluntary.

(8) A tenant's failure to give the notice required by subsection (6) of this section to a landlord entitles the landlord to recover damages equal to 50 percent of one month's rent following the grace period.

(9) If a landlord violates this section, a tenant may obtain injunctive relief to recover possession or address any other violation of this section and may recover from the landlord an amount up to three months' periodic rent plus any actual damages.

SECTION 6. Section 5 of this 2020 special session Act is repealed on March 31, 2021.

SECTION 7. Notwithstanding ORS 12.125, the period of limitation is tolled until March 31, 2021, for claims by a landlord based on a tenant's nonpayment or nonpayment balance, both as defined in section 3 of this 2020 special session Act.

SECTION 8. This 2020 special session Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2020 special session Act takes effect on its passage.