



OREGON
ASSOCIATION
OF REALTORS®

SENATE BILL 608

STATEWIDE RENT CONTROL SUMMARY



Senate Bill 608 Summary

Termination Standards When Landlord Does Not Live In Same Unit or Duplex as Tenant

- Eliminates no-cause termination of tenancy after the first year of occupancy. Landlords can still terminate tenancy for tenant-based cause (non-payment, violation of rental agreement, outrageous conduct, etc.).
- Adds new (4) “qualified” landlord-based for-cause reasons to terminate a tenancy:
 1. Demolition or removal of the unit from residential use
 2. Repair or renovation of the unit that renders it unsafe for occupancy
 3. Landlord or family member move-in
 4. Sale to a person who intends in good faith to occupy the home as a primary residence
- If landlord uses landlord-based reason, must provide tenant with 90-day notice and relocation expenses of one month’s rent (landlords with four or fewer units exempt from relocation expense provision).

Month-to-Month Tenancy Details

- For first 12 months of occupancy, landlord may terminate tenancy without cause with a 30-day notice.
- After first 12 months of occupancy, landlord may terminate a tenancy only for cause, by using an existing tenant-based cause or one of the four new landlord-based causes.

Fixed-Term Tenancy Details

- If the specified ending date of the fixed term is within the first year of occupancy, landlord may terminate without cause by giving the tenant 30 days notice prior to the specified ending date for the fixed term, or 30 days prior to the date designated in the notice, whichever is later.
- After first 12 months of occupancy, fixed-term lease will automatically roll over to month-to-month unless:
 - Landlord and tenant agree to a new fixed term lease
 - Tenant gives notice not less than 30 days prior to the specified ending date of the fixed term or the date designated in the notice for the termination of the tenancy, whichever is later
 - Landlord has one of the landlord-based causes described above and provides 90-day notice
 - Tenant has violated the terms of the rental agreement 3 separate times during a 12-month period, with written warnings for each violation given contemporaneously with the violation.

Termination Standards When Landlord Lives In Same Unit or Duplex (landlord occupied, two units or less)

- Landlord may still terminate a tenancy without cause at any time per the following notice requirements:
 - 60 days for month-to-month tenancy (30 days if offer to purchase from person who will move in)
 - 30 days prior to the end of a fixed-term tenancy or date designated in notice, whichever is later

Annual Rent Increase Cap

- Landlords may increase rent by no more than 7% + Consumer Price Index (CPI) in a 12-month period.
- Maintains current law regarding rent increases: prohibits rent increases in first year of month-to-month tenancy and requires that landlords give 90-day notice of rent increases thereafter.

Exceptions to Annual Rent Increase Cap

- New Construction: A landlord may increase the rent above 7% +CPI in a 12-month period if the certificate of occupancy was issued less than 15 years ago.
- New Tenancy: If the previous tenant vacated the unit voluntarily or their tenancy was terminated for-cause, the landlord may reset the rent on the new tenancy without limitation.
- Subsidized Housing: If the landlord is providing reduced rent to the tenant as part of a federal, state, or local program or subsidy, they are exempt.

Enforcement

- If a landlord violates the new provisions, they are liable for three months’ rent plus actual damages.

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Frequently Asked Questions: SB 608

Is the selling of a home a for-cause or no-cause eviction?

The act of selling a home itself is not an eviction and does not affect the rights of the tenant. The new owner takes over in place of the old owner as the landlord and the rights and responsibilities of landlord and tenant continue as if there had been no change in ownership. However, within the first year of occupancy a landlord may terminate a tenancy for no-cause (whether the landlord is selling the home or not) with a notice of 30-days prior to the date specified in the notice or the ending date of a fixed term tenancy (whichever is later). If the tenant has occupied the unit for more than one year, the landlord may no longer terminate the tenancy for no cause. At that point, the selling of a home only becomes a "cause" for termination if the new owner intends in good faith to occupy the home as their primary residence. In that situation, a notice of 90-days' prior to the date specified in the notice or the ending date of a fixed term tenancy is required, along with the payment of relocation expenses (1-month's rent) if the landlord owns five or more units.

Are there exceptions if seller/landlord is going through a short sale or tax foreclosure?

There are no special provisions for short sales or tax foreclosures. The tenant will have the protections of the bill as against the "landlord," regardless of any changes in ownership or who is legally the "landlord."

If a home is sold to a new owner, can the new owner terminate the tenancy?

If a person purchases a home occupied by a tenant, the new owner becomes the landlord and owes the tenant the same rights and duties as the old landlord, both under statute and any existing rental agreement. The sale of a home to a new owner does not "reset" the clock on the length of the tenancy. The length of the tenancy is determined by when the tenancy first began between the tenant and the original landlord. If the new owner intends to occupy the home as a primary residence and the old landlord provided proper notice as required in the bill, then the tenant must leave per the notice. Otherwise, the new landlord is bound by all of the provisions and timelines described above and can only terminate the tenancy according to those provisions and timelines.

How does SB 608 impact closing and occupancy timelines for rental occupied properties where the new owner will occupy the residence?

The closing date in the sale of real property is a construct of contract law between the parties and is not affected by the new law which governs landlord-tenant relations. Once closed, a new owner may move into the property after the tenant has vacated per the notice requirements in the legislation and any lease agreement that exists between the parties. Notice can be given by the landlord as soon as an offer is accepted on the home. The notice timelines are:

- For a month-to-month tenancy within the first year of occupancy, 30 days notice.
- For a fixed term tenancy that ends within the first year of occupancy, 30 days notice prior to the specified ending date of the fixed term or the date specified in the notice, whichever is later.
- For a month-to-month tenancy after the first year of occupancy, 90 days notice once offer is accepted.
- For a fixed term tenancy ending after the first year of occupancy, once offer accepted, 90 days prior to the ending date of the fixed term or the date specified in the notice, whichever is later.

The law caps rent increases statewide, but can cities and counties set their own rent caps?

Cities and counties cannot set rent caps that are less protective of tenants than SB 608. Whether they can set rent caps that are more protective is a legal question that would have to play out in the courts. If you live in a jurisdiction that has its own rent cap, we advise seeking legal counsel to determine where state and local laws may conflict and the potential impact of such a situation. Keep in mind that cities and counties may have numerous other tenant protections (other than specific rent caps) that you still need to follow. It is critical that you get up to speed on all local laws and consult with an attorney if you have any doubts about your obligations.

SB 608 says that rent caps apply to buildings 15 years or older. When does that date start? Is it rolling?

The time period is calculated by the difference between when a notice of rent increase is sent out and when a certificate of occupancy was issued for the dwelling unit.

How do we find out what the CPI/inflation number is each year?

No later than September 30th of each year, the Oregon Department of Administrative services (“DAS”) is responsible for calculating the maximum annual rent increase percentage.

The number will be calculated as “seven percent plus the September annual 12-month average change in the Consumer Price Index (CPI) for All Urban Consumers, West Region (All Items), as most recently published by the Bureau of Labor Statistics of the United States Department of Labor.”

The law requires DAS to publish the maximum annual rent increase percentage in a press release. As of 11/5/19 that information is available at <https://www.oregon.gov/das/OEA/Pages/Rent-stabilization.aspx>.

Do these laws apply to commercial leases as well?

Generally, no. The new law is part of Oregon’s “Residential Landlord and Tenant Act.” Most of the provisions of the law govern conduct by the type of landlords who own or control “dwelling units” (living spaces).

Can landlords raise rent by more than 7% + CPI when a tenant moves out and a new tenant moves in?

Yes, but not if the landlord terminates a tenancy, or opts not to renew a lease, for no-cause within the first year.

Can relocation assistance be paid out of the proceeds of the closing of the home?

The law does not distinguish where the relocation funds come from. If an eviction requires a landlord to pay relocation assistance, the landlord must provide an amount equal to one month’s periodic rent, and that amount must be provided at the time the landlord delivers notice of termination. So long as these requirements are met, funds could be drawn from the proceeds of the closing.

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The key factors to consider are the amount of relocation assistance required (an amount equal to one month's periodic rent) and the time the landlord must deliver it (concurrently with the notice terminating the tenancy).

If a Landlord is using a property management company, who is liable for a violation?

The law states that “[t]he landlord shall be liable to the tenant” for a violation of the law. The law defines a “Landlord” in this context as: “the owner, lessor or sublessor of the dwelling unit or the building or premises of which it is a part. ‘Landlord’ includes a person who is authorized by the owner, lessor or sublessor to manage the premises or to enter into a rental agreement.”

Liability is a highly fact-specific question and both the owner and property manager should be cautious. An attorney should be consulted regarding questions on individual circumstances.

Do leases that end after the first year become month-to-month tenancies?

The law distinguishes between week-to-week, month-to-month, and fixed-term leases. After the first 12 months of occupancy, unless a new fixed-term lease is not agreed upon, a fixed-term lease will automatically roll into a month-to-month tenancy (and thus subject the landlord/tenant to the laws governing month-to-month relationships) unless the landlord has a landlord-based reason (see above) or tenant-based cause for termination at that time.

There is an exception, however, at the landlord’s discretion. If a tenant has violated the terms of the rental agreement 3 separate times during a 12-month period - with written warnings that comply with statutory requirements for content for each violation (given contemporaneously with the violation) - the fixed term will not roll over if the landlord so chooses and provides appropriate timely notices pursuant to the law.

The bill includes an exception to the relocation assistance payment requirement for landlords who own 4 or fewer properties. Does that mean 4 or fewer Oregon properties or 4 or fewer properties in total?

The bill does not specify.

Additional Resources

[SB 608](#) Text from the Oregon Legislature

[SB 608 FAQs](#) provided by the League of Oregon Cities

[SB 608 Summary and FAQs](#) provided by Leah Sykes and Marcel Gesmundo of GreenspoonMarder, LLC:

[Section by Section Summary of the Bill](#) from the Oregon Law Center

Disclaimer: *This document provides a high level summary of SB 608. It is not legal advice. Landlords should [read the bill](#) and consult an attorney before taking any action relating to end of tenancy/non-renewal notices and/or increasing rent. Sellers and buyers of homes occupied by tenants should do the same. If you don’t have access to an attorney and would like to be connected to one for a low-cost initial consultation, visit the Oregon State Bar [lawyer referral service](#).*