House Bill 2540

Sponsored by Representative EVANS (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Requires city with population of 200,000 or fewer to establish local standards to promote housing stability no later than July 1, 2021. Requires city to review local standards at least every 10 years.

Exempts from state preemption of rent control cities with populations of 200,000 or fewer that adopt local standards to promote housing stability and cities with populations greater than 200,000.

Declares emergency, effective on passage.

1 **A BILL FOR AN ACT**

2 Relating to local standards to promote housing stability; creating new provisions; amending ORS

3   91.225; and declaring an emergency.

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

5   <u>SECTION 1.</u> **Section 2 of this 2019 Act is added to and made a part of ORS chapter 90.**

6   <u>SECTION 2.</u> **(1) Each city with a population of 200,000 or fewer shall establish, by ordi-**

7 **nance or resolution, local standards to promote housing stability applicable to rental agree-**

8 **ments within the jurisdiction of the city that include:**

9   **(a) Health and safety standards;**

10   **(b) A requirement that the governing body of the city or its designee approve any rent**

11 **increase of 10 percent or more over a 12-month period; and**

12   **(c) Provisions to enforce the local standards, including publishing the name of a landlord**

13 **or tenant found to be in violation of one or more local standards in a newspaper of general**

14 **circulation in the city.**

15   **(2) The local standards established under this section must include three tiers of appli-**

16 **cation, including separate tiers for landlords that own or manage:**

17   **(a) Ten or fewer dwelling units;**

18   **(b) Manufactured dwelling parks; and**

19   **(c) All other amounts and types of dwelling units.**

20   **(3) A city that establishes local standards under this section:**

21   **(a) May adopt an ordinance or resolution that controls the rent that may be charged, or**

22 **the maximum percentage by which rent may be increased, for the rental of a dwelling unit**

23 **located within the jurisdiction of the city.**

24   **(b) Shall consult with an advisory group when establishing local standards under this**

25 **section. The advisory group shall consist of landlords and tenants from a variety of back-**

26 **grounds who reside within the jurisdiction of the city.**

27   **(c) At least once every 10 years, shall review the local standards established under this**

28 **section and adopt or amend ordinances or resolutions as the city determines is appropriate**

29 **to promote housing stability.**

LC 2083

1   **SECTION 3. Each city with a population of 200,000 or fewer shall establish local standards**
2 **to promote housing stability as required by section 2 of this 2019 Act no later than July 1,**
3 **2021.**

4   **SECTION 4.** ORS 91.225 is amended to read:

5   91.225. (1) The Legislative Assembly finds that there is a social and economic need to insure an
6 adequate supply of affordable housing for Oregonians. [*The Legislative Assembly also finds that the*
7 *imposition of general restrictions on housing rents will disrupt an orderly housing market, increase*
8 *deferred maintenance of existing housing stock, lead to abandonment of existing rental units and create*
9 *a property tax shift from rental-owned to owner-occupied housing.*] Therefore, the Legislative Assem-
10 bly declares that the imposition of rent control on housing in the State of Oregon is a matter of
11 statewide concern.

12   (2) Except as provided in subsections (3) to [*(5)*] **(6)** of this section, a city **with a population**
13 **of 200,000 or fewer** or county [*shall*] **may** not enact any ordinance or resolution which controls the
14 rent that may be charged for the rental of any dwelling unit.

15   (3) This section does not impair the right of any state agency, city, county or urban renewal
16 agency as defined by ORS 457.035 to reserve to itself the right to approve rent increases, establish
17 base rents or establish limitations on rents on any residential property for which it has entered into
18 a contract under which certain benefits are applied to the property for the expressed purpose of
19 providing reduced rents for low income tenants. Such benefits include, but are not limited to, prop-
20 erty tax exemptions, long-term financing, rent subsidies, code enforcement procedures and zoning
21 density bonuses.

22   (4) Cities and counties are not prohibited from including in condominium conversion ordinances
23 a requirement that, during the notification period specified in ORS 100.305, the owner or developer
24 may not raise the rents of any affected tenant except by an amount established by ordinance that
25 does not exceed the limit imposed by ORS 90.493.

26   (5) Cities, counties and state agencies may impose temporary rent controls when a natural or
27 man-made disaster that materially eliminates a significant portion of the rental housing supply oc-
28 curs, but must remove the controls when the rental housing supply is restored to substantially
29 normal levels.

30   **(6) A city with a population of 200,000 or fewer may adopt an ordinance or resolution**
31 **under section 2 of this 2019 Act that controls rent amounts and increases.**

32   [*(6)*] **(7)** As used in this section, "dwelling unit" and "rent" have the meaning given those terms
33 in ORS 90.100.

34   [*(7)*] **(8)** This section is applicable throughout this state [*and in all cities and counties therein*].
35 The electors or the governing body of a city or county shall not enact, and the governing body shall
36 not enforce, any ordinance, resolution or other regulation that is inconsistent with this section.

37   **SECTION 5. This 2019 Act being necessary for the immediate preservation of the public**
38 **peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect**
39 **on its passage.**

40   ————————