Senate Bill 970

Sponsored by COMMITTEE ON JUDICIARY

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.**

Limits applicable screening criteria for residential landlords.

Requires facility landlords to provide tenant handbook regarding rights in selling tenant's manufactured dwelling or floating home. Requires landlord to allow tenant marketing manufactured dwelling or floating home for sale to sublease dwelling if landlord rents landlord's own units. Shortens time landlord may evaluate prospective purchaser in facility. Increases civil penalties for certain facility landlords.

A BILL FOR AN ACT

2 Relating to housing; amending ORS 90.303, 90.525, 90.555, 90.680 and 90.710.

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

- **SECTION 1.** ORS 90.303 is amended to read:
- 90.303. (1) When evaluating an applicant, a landlord may not consider an action to recover possession pursuant to ORS 105.105 to 105.168 if the action:
- (a) Was dismissed or resulted in a general judgment for the applicant before the applicant submits the application. [This paragraph does not apply if the action has not resulted in a dismissal or general judgment at the time the applicant submits the application.]
- (b) Resulted in a general judgment against the applicant that was entered five or more years before the applicant submits the application.
- (2) When evaluating the applicant, a landlord may not consider a previous arrest of the applicant if the arrest did not result in a conviction. This subsection does not apply if the arrest has resulted in charges for criminal behavior as described in subsection (3) of this section that have not been dismissed at the time the applicant submits the application.
- (3) When evaluating the applicant, the landlord may **not** consider criminal conviction and charging history [*if*] **unless** the conviction or pending charge is for conduct that is:
- (a) A drug-related crime, but not including convictions based solely on the use or possession of marijuana;
 - (b) A person crime;
 - (c) A sex offense;
 - (d) A crime involving financial fraud, including identity theft and forgery; or
- 23 (e) Any other crime if the conduct for which the applicant was convicted or charged is of a nature that would adversely affect:
 - (A) Property of the landlord or a tenant; or
- 26 (B) The health, safety or right to peaceful enjoyment of the premises of residents, the landlord or the landlord's agent.
 - (4) When evaluating an applicant, a landlord may not consider the possession of a medical marijuana card or status as a medical marijuana patient.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

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28 29 **SECTION 2.** ORS 90.525 is amended to read:

90.525. (1) [No landlord shall] **A landlord may not** impose conditions of rental or occupancy which unreasonably restrict the tenant or prospective tenant in choosing a fuel supplier, furnishings, goods, services or accessories.

- (2) A landlord may not prohibit a tenant from engaging a real estate agent or a licensed manufactured structure dealer of the tenant's choice to facilitate the sale or sublease allowed under ORS 90.555 of the tenant's manufactured dwelling or floating home.
- [(2)] (3) [No] **The** landlord of a facility [shall] **may not** require the prospective tenant to purchase a manufactured dwelling or floating home from a particular dealer or one of a group of dealers.
- [(3)] (4) [No] A landlord renting a space for a manufactured dwelling or floating home [shall] may not give preference to a prospective tenant who purchased a manufactured dwelling or floating home from a particular dealer.
- [(4)] (5) [No] A manufactured dwelling or floating home dealer [shall] may not [require], as a condition of sale, require a purchaser to rent a space for a manufactured dwelling or floating home in a particular facility or one of a group of facilities, except that a dealer who is a landlord of a facility may require a purchaser of a dwelling or home from the landlord to rent a space for the dwelling or home in the landlord's facility.
- (6) At the time of evaluating an applicant under ORS 90.303 or a prospective purchaser under ORS 90.680 (10)(a) or upon the execution of a rental agreement, whichever is earlier, the landlord of a facility shall provide the applicant, purchaser or tenant a copy of an informational handout regarding rights of tenants and landlords when a tenant is selling a manufactured dwelling or floating home in a facility, in a form proscribed by the Housing and Community Services Department.
 - **SECTION 3.** ORS 90.555 is amended to read:
 - 90.555. (1) As used in this section:
 - (a) "Actively markets for sale" means that the facility tenant:
- (A) Places a for-sale sign on the dwelling or home;
- (B) Retains a broker, real estate agent, or manufactured structure dealer to assist in the sale; and
 - (C) Advertises the dwelling or home for sale in a newspaper or online.
 - (b) "Facility landlord" means the landlord of the facility.
 - (c) "Facility tenant" means the owner of the manufactured dwelling or floating home, who is the tenant of the facility landlord under the rental agreement.
 - (d) "Rental agreement" means the rental agreement between the facility landlord and facility tenant.
 - (e) "Renter" means a person other than the facility tenant who is lawfully occupying the manufactured dwelling or floating home under a subleasing agreement.
 - (f) "Subleasing agreement" means the written agreement between the facility landlord, facility tenant, and renter concerning the occupancy of the renter and the rights of the parties.
 - [(1)] (2) A facility tenant may not rent the **facility** tenant's manufactured dwelling or floating home to another person for a period exceeding three days unless the facility landlord, facility tenant and [dwelling or home] renter enter into a written subleasing agreement specifying the rights and obligations of the **facility** landlord, **facility** tenant and renter during the renter's occupancy of the

dwelling or home. The subleasing agreement shall [include, but need not be limited to, provisions that] require the [dwelling or home] renter to timely pay [directly] to the facility landlord the space rent, any separately assessed fees payable under the rental agreement and any separately billed utility or service charge described in ORS 90.532 (1)(b) or (c)[, and provisions that]. The subleasing agreement shall also grant the [dwelling or home] renter the same rights as the facility tenant to cure a violation of the rental agreement for the facility space, to require the facility landlord [compliance] to comply with ORS 90.730 and to be protected from retaliatory conduct under ORS 90.765. This subsection does not authorize a facility tenant to [rent a manufactured dwelling or floating home] sublease to [another person] a renter in violation of the rental agreement [between the facility tenant and the facility landlord].

[(2)] (3) Notwithstanding ORS 90.100 (47), a facility tenant who enters into a subleasing agreement [continues to be the] remains the tenant of the facility space and retains all rights and obligations [of a facility tenant] under the rental agreement and this chapter. The occupancy [of a manufactured dwelling or floating home] by a renter [as provided in a subleasing agreement] does not constitute abandonment of the dwelling or home by the facility tenant.

[(3)] (4) The rights and obligations of the [dwelling or home] renter under a subleasing agreement are in addition to the rights and obligations retained by the facility tenant under subsection [(2)] (3) of this section. The rights and obligations of the dwelling or home renter under the subleasing agreement are separate from and any rights or obligations [of the renter] of the facility tenant and renter under ORS 90.100 to 90.465 [applicable to the renter's occupancy of the manufactured dwelling or floating home owned by the facility tenant].

- [(4)] (5) Unless otherwise provided in the subleasing agreement, and without regard to whether the facility landlord terminates the rental agreement, a facility landlord may terminate a subleasing agreement:
- (a) Without cause by giving the [dwelling or home] renter written notice not less than 30 days prior to the termination;
- (b) If a condition described in ORS 90.380 (5)(b) exists for the facility space, by giving the renter the same notice to which the facility tenant is entitled under ORS 90.380 (5)(b); or
- (c) Subject to the **right to** cure [right established in subsection (1) of this section and regardless of whether the landlord terminates the rental agreement of the facility tenant]:
 - (A) For nonpayment of facility space rent under ORS 90.394 or 90.630; or
- (B) For any conduct by the [dwelling or home] renter that would be a violation of the rental agreement under ORS 90.396 or 90.398 if committed by the facility tenant.
- [(5)] (6) Upon termination of a subleasing agreement by the facility landlord, whether with or without cause, the [dwelling or home] renter and the facility tenant are excused from continued performance under any **subleasing** agreement [for the renter's occupancy of the manufactured dwelling or floating home owned by the facility tenant].
- [(6)(a)] (7)(a) If, during the term of a subleasing agreement, the facility landlord gives notice to the facility tenant of a rental agreement violation, [of] a law or ordinance violation or [of] the facility's closure, conversion or sale, the landlord shall also promptly give a copy of the notice to the [dwelling or home] renter. The giving of notice to the [dwelling or home] renter does not constitute notice to the facility tenant unless the facility tenant has expressly appointed the renter as the facility tenant's agent for purposes of receiving notice.
- (b) If the facility landlord gives notice to the [dwelling or home] renter that the landlord is terminating the subleasing agreement, the landlord shall also promptly give a copy of the notice to the

- facility tenant by written notice[. The landlord shall give the notice to the facility tenant in the same manner as for giving notice of a rental agreement violation].
- (c) If, during the term of a subleasing agreement, the facility tenant gives notice to the facility landlord of a rental agreement violation, termination of tenancy or sale of the manufactured dwelling or floating home, the **facility** tenant shall also promptly give a copy of the notice to the [dwelling or home] renter.
- (d) If the [dwelling or home] renter gives notice to the facility landlord of a violation of ORS 90.730, the renter shall also promptly give a copy of the notice to the facility tenant.
- [(7)] (8) [If the rental agreement permits the facility tenant to sublease the tenant's manufactured dwelling or floating home, the landlord shall] Before entering into a sublease agreement, the facility landlord may screen a renter under ORS 90.303, but may not apply to the [dwelling or home] renter credit and conduct screening criteria that is [substantially similar to the credit and conduct screening criteria] more restrictive than the landlord applies to applicants for a tenancy of a dwelling or home that is either owned by the landlord or on consignment with the landlord under ORS 90.680.
- (9) Notwithstanding subsection (2) of this section, if a facility landlord rents or has a policy of renting manufactured dwellings or floating homes that are listed for sale by the facility landlord, the facility landlord may not prohibit the facility tenant from entering into a subleasing agreement while the facility tenant actively markets for sale the facility tenant's manufactured dwelling or floating home.

SECTION 4. ORS 90.680 is amended to read:

- 90.680. (1) As used in this section, "consignment" means an agreement in which a tenant authorizes a landlord to sell a manufactured dwelling or floating home on behalf of the tenant who owns the dwelling or home in a facility that is owned by the landlord and for which the landlord receives compensation.
- (2) A landlord may not deny any manufactured dwelling or floating home space tenant the right to sell a manufactured dwelling or floating home on a rented space or require the tenant to remove the dwelling or home from the space solely on the basis of the sale.
- (3) A landlord may not require, as a condition of a tenant's occupancy, consignment of the tenant's manufactured dwelling or floating home.
- (4)(a) A landlord may sell a tenant's manufactured dwelling or floating home on consignment only if:
- (A) The sale involves a dwelling in a facility and the landlord is licensed to sell dwellings under ORS 446.661 to 446.756. The license may be held by a person that differs from the person that owns the facility and is the landlord, if there is common ownership between the two.
- (B) The landlord and tenant first enter into a written consignment contract that specifies at a minimum:
 - (i) The duration of the contract, which, unless extended in writing, may not exceed 180 days;
- (ii) The estimated square footage of the dwelling or home, and the make, model, year, vehicle identification number and license plate number, if known;
 - (iii) The price offered for sale of the dwelling or home;
 - (iv) Whether lender financing is permitted and the amount, if any, of the earnest money deposit;
 - (v) Whether the transaction is intended to be closed through a state-licensed escrow;
- (vi) All liens, taxes and other charges known to be in existence against the dwelling or home that must be removed before the tenant can convey marketable title to a prospective buyer;

- (vii) The method of marketing the sale of a dwelling or home to the public, such as signs posted at the facility or through advertisements posted on the Internet or published in newspapers or in other publications;
- (viii) The form and amount of compensation to the landlord, such as a fixed fee, a percentage of the gross sale price or another similar arrangement. If the form of compensation is a fixed fee, the contract shall state the amount; and
- (ix) For the purpose of determining the net sale proceeds that are payable to the tenant, the manner and order by which the gross sale proceeds will be applied to liens, taxes, actual costs of sale, landlord compensation and other closing costs.
- (C) Within 10 days after a sale, the landlord pays to the tenant the tenant's share of the sale proceeds and provides to the tenant a written accounting for the sale proceeds.
- (b) The landlord may not exact a commission or fee, however designated, or retain a portion of any sale proceeds for the sale of a manufactured dwelling or floating home on a rented space unless the landlord has acted as representative for the seller pursuant to a written consignment contract.
- (5)(a) The landlord may not deny the tenant the right to place a "for sale" sign on or in a manufactured dwelling or floating home owned by the tenant. The size, placement and character of such signs shall be subject to reasonable rules of the landlord.
- (b) If the landlord advertises a manufactured dwelling or floating home for sale within the facility, the tenant may advertise the sale of the tenant's dwelling or home by posting a sign in a similar manner and similar location.
- (6) A landlord may not knowingly make false statements to a prospective purchaser about the quality of a tenant's manufactured dwelling or floating home.
- (7) Nothing in this section prevents a landlord from selling to a prospective purchaser a manufactured dwelling or floating home owned by the landlord at a price or on terms, including space rent, that are more favorable than the price and terms offered for dwellings or homes that are for sale by a tenant.
- (8) If the prospective purchaser of a manufactured dwelling or floating home desires to leave the dwelling or home on the rented space and become a tenant, the landlord may require in the rental agreement:
- (a) Except when a termination or abandonment occurs, that a tenant give not more than 10 days' notice in writing prior to the sale of the dwelling or home on a rented space;
- (b) That prior to the sale, the prospective purchaser submit to the landlord a complete and accurate written application for occupancy of the dwelling or home as a tenant after the sale is finalized and that a prospective purchaser may not occupy the dwelling or home until after the prospective purchaser is accepted by the landlord as a tenant;
- (c) That a tenant give notice to any lienholder, prospective purchaser or person licensed to sell dwellings or homes of the requirements of paragraphs (b) and (d) of this subsection, the location of all properly functioning smoke alarms and any other rules and regulations of the facility such as those described in ORS 90.510 (5)(b), (f), (g), (i) and (j); and
- (d) If the sale is not by a lienholder, that the prospective purchaser pay in full all rents, fees, deposits or charges owed by the tenant as authorized under ORS 90.140 and the rental agreement, prior to the landlord's acceptance of the prospective purchaser as a tenant.
- (9)(a) If a landlord requires a prospective purchaser to submit an application for occupancy as a tenant under subsection (8) of this section, the landlord shall provide, upon request from the purchaser, a copy of the application. At the time that the landlord gives the prospective purchaser an

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application the landlord shall also give the prospective purchaser:

- (A) Copies of the statement of policy, the rental agreement and the facility rules and regulations, including any conditions imposed on a subsequent sale, all as provided by ORS 90.510;
 - (B) Copies of any outstanding notices given to the tenant under ORS 90.632;
 - (C) A list of any disrepair or deterioration of the manufactured dwelling or floating home;
- (D) A list of any failures to maintain the space or to comply with any other provisions of the rental agreement, including aesthetic or cosmetic improvements; and
- (E) A statement that the landlord may require a prospective purchaser to complete repairs, maintenance and improvements as described in the notices and lists provided under subparagraphs (B) to (D) of this paragraph.
- (b) The terms of the statement, rental agreement and rules and regulations need not be the same as those in the selling tenant's statement, rental agreement and rules and regulations.
- (c) Consistent with ORS 90.305 (4)(b), a landlord may require a prospective purchaser to pay a reasonable copying charge for the documents.
- (d) If a prospective purchaser agrees, a landlord may provide the documents in an electronic format.
- (10) The following apply if a landlord receives an application for tenancy from a prospective purchaser under subsection (8) of this section:
- (a) The landlord shall accept or reject the prospective purchaser's application within [seven] five days following the day the landlord receives a complete and accurate written application. An application is not complete until the prospective purchaser pays any required applicant screening charge and provides the landlord with all information and documentation, including any financial data and references, required by the landlord pursuant to ORS 90.510 (5)(i). The landlord and the prospective purchaser may agree to a longer time period for the landlord to evaluate the prospective purchaser's application or to allow the prospective purchaser to address any failure to meet the landlord's screening or admission criteria. If a tenant has not previously given the landlord the 10 days' notice required under subsection (8)(a) of this section, the period provided for the landlord to accept or reject a complete and accurate written application is extended to [10] seven days.
- (b) When a landlord considers an application for tenancy from a prospective purchaser of a dwelling or home from a tenant, the landlord shall apply to the prospective purchaser credit and conduct screening criteria that are substantially similar to the credit and conduct screening criteria the landlord applies to a prospective purchaser of a dwelling or home from the landlord.
- (c) The landlord may not unreasonably reject a prospective purchaser as a tenant. Reasonable cause for rejection includes, but is not limited to, failure of the prospective purchaser to meet the landlord's conditions for approval as provided in ORS 90.510 (5)(i) or failure of the prospective purchaser's references to respond to the landlord's timely request for verification within the time allowed for acceptance or rejection under paragraph (a) of this subsection. Except as provided in paragraph (d) of this subsection, the landlord shall furnish to the seller and purchaser a written statement of the reasons for the rejection.
- (d) If a rejection under paragraph (c) of this subsection is based upon a consumer report, as defined in 15 U.S.C. 1681a for purposes of the federal Fair Credit Reporting Act, the landlord may not disclose the contents of the report to anyone other than the purchaser. The landlord shall disclose to the seller in writing that the rejection is based upon information contained within a consumer report and that the landlord may not disclose the information within the report.
 - (11) [The following apply] If a landlord does not require a prospective purchaser to submit an

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application for occupancy as a tenant under subsection (8) of this section or if the landlord does not accept or reject the prospective purchaser as a tenant within the time required under subsection (10) of this section:

- (a) The landlord waives any right to bring an action against the tenant under the rental agreement for breach of the landlord's right to establish conditions upon and approve a prospective purchaser of the tenant's dwelling or home;
- (b) The prospective purchaser, upon completion of the sale, may occupy the dwelling or home as a tenant under the same conditions and terms as the tenant who sold the dwelling or home; and
- (c) If the prospective purchaser becomes a new tenant, the landlord may impose conditions or terms on the tenancy that are inconsistent with the terms and conditions of the seller's rental agreement only if the new tenant agrees in writing.
- (12) A landlord may not, because of the age, size, style or original construction material of the dwelling or home or because the dwelling or home was built prior to adoption of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5403), in compliance with the standards of that Act in effect at that time or in compliance with the state building code as defined in ORS 455.010:
- (a) Reject an application for tenancy from a prospective purchaser of an existing dwelling or home on a rented space within a facility; or
- (b) Require a prospective purchaser of an existing dwelling or home on a rented space within a facility to remove the dwelling or home from the rented space.
- (13) A tenant who has received a notice pursuant to ORS 90.632 may sell the tenant's dwelling or home in compliance with this section during the notice period. The tenant shall provide a prospective purchaser with a copy of any outstanding notice given to the tenant under ORS 90.632 prior to a sale. If the tenancy has been terminated pursuant to ORS 90.632, or the notice period provided in ORS 90.632 has expired without a correction of cause or extension of time to correct, a prospective purchaser does not have a right to leave the dwelling or home on the rented space and become a tenant.
- (14) The following applies to a landlord that accepts a prospective purchaser as a tenant under subsection (10) of this section:
- (a) Notwithstanding any waiver given by the landlord to the previous tenant, the landlord may require the new tenant to complete the repairs, maintenance and improvements described in the notices provided under subsection (9)(a)(B) to (D) of this section.
- (b) Notwithstanding ORS 90.412, if the new tenant fails to complete the repairs, maintenance and improvements described in the notices provided under subsection (9)(a)(B) to (D) of this section within six months after the tenancy begins, the landlord may terminate the tenancy by giving the new tenant the notice required under ORS 90.630 or 90.632.
- (15) Except as provided by subsection (13) of this section, after a tenancy has ended and during the period provided by ORS 90.675 (6) and (8), a former tenant retains the right to sell the tenant's dwelling or home to a purchaser who wishes to leave the dwelling or home on the rented space and become a tenant as provided by this section, if the former tenant makes timely periodic payment of all storage charges as provided by ORS 90.675 (7)(b), maintains the dwelling or home and the rented space on which it is stored and enters the premises only with the written permission of the landlord. Payment of the storage charges or maintenance of the dwelling or home and the space does not create or reinstate a tenancy or create a waiver pursuant to ORS 90.412 or 90.417. A former tenant may not enter the premises without the written permission of the landlord, including entry to

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maintain the dwelling or home or the space or to facilitate a sale.

(16) A landlord or tenant who sells a manufactured dwelling or floating home shall deliver title to the dwelling or home to the purchaser within 25 business days after completion of the sale. If the sale by contract requires future payments, the landlord or tenant shall notify the county that the purchaser is responsible for property tax payments.

SECTION 5. ORS 90.710 is amended to read:

- 90.710. (1)(a) Except as provided in paragraph (b) of this subsection, any person aggrieved by a violation of ORS 90.525, 90.630, 90.680 or 90.765 has a cause of action against the violator for any damages sustained as a result of the violation or [\$200] \$500, whichever is greater.
- (b) If a person violates ORS 90.680 three or more times within a 24-month period, a person has a cause of action against the violator for any damages sustained as a result of the third or subsequent violation or [\$500] \$1,000, whichever is greater.
- (2)(a) Except as provided in paragraphs (b) and (c) of this subsection, a tenant has a cause of action against the landlord for a violation of ORS 90.510 (4) for any damages sustained as a result of the violation, or \$100, whichever is greater.
- (b) The tenant has no cause of action if, within 10 days after the tenant requests a written agreement from the landlord, the landlord offers to enter into a written agreement that does not substantially alter the terms of the oral agreement made when the tenant rented the space and that complies with this chapter.
- (c) If, within 10 days after being served with a complaint alleging a violation of ORS 90.510, the landlord offers to enter into a written rental agreement with each of the other tenants of the landlord that does not substantially alter the terms of the oral agreement made when each tenant rented the space and that complies with this chapter, then the landlord is not subject to any further liability to the other tenants for previous violations of ORS 90.510.
- (d) Notwithstanding ORS 41.580 (1), if a landlord and a tenant mutually agree on the terms of an oral agreement for renting residential property, but the tenant refuses to sign a written memorandum of that agreement after it has been reduced to writing by the landlord and offered to the tenant for the tenant's signature, the oral agreement is enforceable notwithstanding the tenant's refusal to sign.
- (e) A purchaser has a cause of action, for damages sustained or \$100, whichever is greater, against a seller who sells the tenant's manufactured dwelling or floating home to the purchaser before the landlord has accepted the purchaser as a tenant if:
 - (A) The landlord rejects the purchaser as a tenant; and
- (B) The seller knew the purchaser intended to leave the manufactured dwelling or floating home on the space.