

HB 2966 -1 STAFF MEASURE SUMMARY

House Committee On Economic Recovery and Prosperity

Prepared By: Wenzel Cummings, LPRO Analyst

Meeting Dates: 3/16, 3/30, 4/1

WHAT THE MEASURE DOES:

Prohibits any landlord of a commercial space from terminating or delivering notice of termination of a rental agreement for a rental unit based on the commercial tenant's nonpayment. Prohibits the landlord from initiating or continuing any action to take possession of the rental unit for nonpayment. Prohibits the landlord from interfering with the tenant's possession or use of the rental unit based on the tenant's nonpayment. Permits the tenant to obtain injunctive relief and up to three months' rent plus damages if the landlord violates a prohibition. Sunsets on January 2, 2023. Declares emergency, takes effect on passage.

ISSUES DISCUSSED:

- Impact of Covid-19 pandemic on businesses
- Commercial rent relief program through Business Oregon
- Size and scope of need within small businesses
- Deadline for grace period for back rent repayment by commercial tenants

EFFECT OF AMENDMENT:

-1 Extends the grace period from March 31, 2021 to September 30, 2021 for a commercial tenant to repay any outstanding nonpayment balance of rent, late charges, utility charges, or any other service charge or fee during the emergency period between April 1, 2020, and September 30, 2020. Becomes operative retroactively on the effective date if the effective date is after March 31, 2021. Stipulates that any otherwise lawful action taken or lawful obligation incurred between March 31, 2021 and the effective date is ratified and approved. Requires that any claim for possession of real property based on a commercial tenant's nonpayment that was filed after March 31, 2021 and that has not resulted in a judgment must be stayed until October 1, 2021. Sunsets on September 30, 2021. Declares emergency, effective on March 31, 2021.

BACKGROUND:

On April 1, 2020, the Governor issued Executive Order 2020-13, which placed a 90-day moratorium on evictions of commercial tenants for nonpayment of rent. The order required commercial tenants to provide evidence that the nonpayment was directly or indirectly caused by the Covid-19 pandemic. In June 2020, the Legislative Assembly passed House Bill 4213, which replaced the Governor's executive order. The measure prohibited notices and evictions for nonpayment of rent, as well as other charges and fees, during the "emergency period" of April 1, 2020, through September 30, 2020. It also established a six-month grace period from September 30, 2020, through March 31, 2021, during which commercial tenants could pay for any unpaid rent, charges, and fees that were due during the emergency period. House Bill 4213 sunsets on March 31, 2021.

House Bill 2966 prohibits a landlord from terminating or delivering notice of termination of a commercial rental agreement based on the commercial tenant's nonpayment of rent. The measure sunsets on January 2, 2023.