

A-Engrossed
House Bill 2966

Ordered by the House April 10
Including House Amendments dated April 10

Sponsored by Representative NOSSE; Representatives PHAM, WILLIAMS

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.

[Prohibits termination of commercial tenancy for nonpayment if outstanding rent balance does not exceed rent deposit.]

[Sunsets January 2, 2023.]

Extends grace period for repayment of nonresidential rent between April 1, 2020, and September 30, 2020, until September 30, 2021, for certain tenants.

Declares emergency, effective *[on passage]* **March 31, 2021.**

A BILL FOR AN ACT

1
2 Relating to terminations of commercial tenancies; creating new provisions; amending sections 5 and
3 6, chapter 13, Oregon Laws 2020 (first special session); and declaring an emergency.

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

5 **SECTION 1.** Section 5, chapter 13, Oregon Laws 2020 (first special session), is amended to read:

6 **Sec. 5.** (1) As used in this section:

7 (a) "Emergency period" means the period beginning on April 1, 2020, and ending on September
8 30, 2020.

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

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

15 (d) "Nonpayment balance" includes all or a part of the net total amount of all items of non-
16 payment by a tenant.

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

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

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

23 (a) Deliver a notice terminating a rental agreement for a rental unit based on a tenant's non-
24 payment;

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

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.

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

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

5 (4) Following the emergency period, a tenant with an outstanding nonpayment balance has a
6 [six-month] grace period that ends on [March 31, 2021] **September 30, 2021**, to pay the outstanding
7 nonpayment balance.

8 **(5) This section does not apply if:**

9 **(a) A landlord attempts to apply for financial assistance, including assistance on behalf**
10 **of the tenant;**

11 **(b) The application requires that the tenant be a coapplicant or provide information or**
12 **consent; and**

13 **(c) The tenant does not make a good faith effort to comply with the application require-**
14 **ments for the tenant.**

15 [(5) Following the emergency period, a landlord may deliver a written notice to a tenant that sub-
16 stantially states:]

17 [(a) The date that the emergency period ended;]

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

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

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

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

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

29 [(g) That failure of a tenant to give notice to the landlord of utilization of the grace period de-
30 scribed in subsection (4) of this section may result in a penalty described in subsection (8) of this sec-
31 tion; and]

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

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

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

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

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

1 *period.]*

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

5 **SECTION 2.** Section 6, chapter 13, Oregon Laws 2020 (first special session), is amended to read:

6 **Sec. 6.** Section 5 [*of this 2020 special session Act*], **chapter 13, Oregon Laws 2020 (first special**
7 **session), as amended by section 1 of this 2021 Act,** is repealed on [*March 31*] **September 30,**
8 **2021.**

9 **SECTION 3.** **If this 2021 Act does not become effective until after March 31, 2021:**

10 **(1) The amendments to section 6, chapter 13, Oregon Laws 2020 (first special session),**
11 **by section 2 of this 2021 Act revives section 5, chapter 13, Oregon Laws 2020 (first special**
12 **session), as amended by section 1 of this 2021 Act.**

13 **(2) This 2021 Act shall be operative retroactively to that date, and the operation and ef-**
14 **fect of section 5, chapter 13, Oregon Laws 2020 (first special session), as amended by section**
15 **1 of this 2021 Act, shall continue unaffected from April 1, 2021, to the effective date of this**
16 **2021 Act to September 30, 2021.**

17 **(3) Any otherwise lawful action taken or otherwise lawful obligation incurred under the**
18 **authority of section 5, chapter 13, Oregon Laws 2020 (first special session), after March 31,**
19 **2021, and before the effective date of this 2021 Act, is ratified and approved.**

20 **(4) A claim for possession of real property under ORS 105.105 to 105.168 based on a**
21 **tenant's nonpayment, as defined in section 5, chapter 13, Oregon Laws 2020 (first special**
22 **session), that has not resulted in a judgment and that was filed after March 31, 2021, and**
23 **before the effective date of this 2021 Act, must be stayed until October 1, 2021, or dismissed**
24 **without prejudice or costs to any party.**

25 **SECTION 4.** **This 2021 Act being necessary for the immediate preservation of the public**
26 **peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect**
27 **March 31, 2021.**

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