

SB 611 A STAFF MEASURE SUMMARY
Senate Committee On Housing and Development

Carrier: Sen. Campos

Action Date: 04/03/23
Action: Do pass with amendments. (Printed A-Eng.)
Vote: 3-2-0-0
Yeas: 3 - Jama, Patterson, Sollman
Nays: 2 - Anderson, Knopp
Fiscal: No fiscal impact
Revenue: No revenue impact
Prepared By: Kevin Rancik, LPRO Analyst
Meeting Dates: 3/27, 4/3

WHAT THE MEASURE DOES:

Modifies maximum allowable residential rent increase from 7 percent to the lesser of either 10 percent, or 5 percent plus the September annual 12-month average change in Consumer Price Index for All Urban Consumers, West Region (All Items) as published by the Bureau of Labor Statistics. Limits rent increases on tenancies other than week-to-week tenancies to not more than once in any 12-month period. Applies rent increase limit to units from which tenant was evicted. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Changes made by amendments
- Statistics on no-cause evictions
- Effect on rental investment and construction
- Impact of rent increases on tenants

EFFECT OF AMENDMENT:

Restores amount due the tenant upon tenancy termination to one month periodic rent in specified cases. Modifies maximum allowable residential rent increase to the lesser of either 10 percent, or 5 percent plus the September annual 12-month average change in Consumer Price Index for All Urban Consumers, West Region (All Items) as published by the Bureau of Labor Statistics. Restores landlord exemption from rent increase to units where the first certificate of occupancy was issued less than 15 years from the date of notice of rent increase.

BACKGROUND:

The U.S. Department of Housing and Urban Development considers households cost-burdened when they spend more than 30 percent of their income on rent, mortgage and other housing needs. The 2021 Census American Community Survey estimates nearly half of Oregon’s renters are cost-burdened, with 52 percent of those being severely cost-burdened, spending 50 percent or more of their household income on rent, mortgage or other housing expenses.

Senate Bill 608, enacted by the Legislative Assembly in 2019, limited residential rent increases to seven percent, plus the Consumer Price Index for All Urban Consumers, West Region (All Items), as most recently published by the Bureau of Labor Statistics. Exceptions were made for new construction, rent resets after tenants voluntarily vacated, government-subsidized rent, and publicly constructed and regulated affordable housing. Clarification was later added through House Bill 3113, enacted by the Legislative Assembly in 2021, for units regulated as affordable housing, that exempted landlords if the increase did not change the tenant’s share of rent or if tenant income changes prompted a change in affordable housing program eligibility. The Oregon Office of Economic Analysis calculated the allowable rent increase for calendar year 2022 at 9.9 percent, and for calendar year 2023 at 14.6 percent.

SB 611 A STAFF MEASURE SUMMARY

Senate Bill 611 A modifies the maximum annual residential rent increase to the lesser of 10 percent, or 5 percent plus the consumer price index one-year change. It applies the rent increase limit to units from which a tenant was evicted and limits increases to no more than once in any 12-month period on tenancies other than week-to-week tenancies.