

## SB 586 -1 STAFF MEASURE SUMMARY

### Senate Committee On Housing and Development

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**Meeting Dates:** 3/3, 3/19

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#### **WHAT THE MEASURE DOES:**

The measure reduces the notice, from 90 days to 45 days, that a landlord must give a tenant on a fixed-term tenancy when selling the dwelling unit to buyers who intend to reside in it.

#### Detailed Summary:

Reduces the length of the required notice period, from 90 days to 45 days after the fixed-term concludes, that a landlord must provide a tenant before termination of their rental agreement if the landlord has accepted an offer to sell the dwelling unit. Eliminates the requirement that the unit into which the buyers will move be sold separately from any other unit.

Takes effect on the 91st day following adjournment sine die.

*Fiscal impact: May have fiscal impact, but no statement yet issued*

*Revenue impact: May have revenue impact, but no statement yet issued*

#### **ISSUES DISCUSSED:**

- Scarcity of affordable housing increasing the necessity of notice for tenants.
- Length of "locked" period for mortgage interest rates being shorter than the current 90-day notice period to tenants.
- Mortgage law: if not living within the dwelling within a certain time after purchase, requirement of obtaining a commercial mortgage loan.
- Negative effects of destabilization on tenants.
- Barriers created by the existing requirement that the unit the buyer plans to live in be separated from the other units.
- Incoming amendment that will balance the needs of the parties to the home purchase with the needs of the tenants already residing there.
- Long waiting list for vouchers for existing tenants to move to subsidized housing: longer notice period gives them time to get on the list.

#### **EFFECT OF AMENDMENT:**

-1 The amendment reduces the notice, from 90 days to 60 days, that a landlord must give a tenant on a fixed-term tenancy when selling the dwelling unit to buyers who intend to reside in it. The amendment requires the landlord the give written evidence of the offer with the notice if giving 60 days instead of 90 days, and must compensate the tenant an amount equal to one month's rent.

#### Detailed Summary:

Reduces the length of the required notice period, from 90 days to 60 days after the fixed-term concludes, that a landlord must provide a tenant before termination of their rental agreement if the landlord has accepted an offer to sell the dwelling unit. Requires the landlord to provide written evidence of the offer on the property when serving notice, and must pay the tenant an amount equal to one month's rent at the time of giving notice. Eliminates the requirement that the unit into which the buyers will move be sold separately from any other unit.

**BACKGROUND:**

Landlords in Oregon are required to give notice to tenants when they plan to end a tenancy, or to change the terms of the tenancy (in certain circumstances, such as when an a property with affordability restrictions transfers to market-rate). In a week-to-week tenancy, a landlord is required to give 10 days notice before ending the tenancy; in a month-to-month tenancy, a landlord is required to give 30 days notice. If the tenancy is a fixed-term tenancy—one that lasts for the certain period of time, often a year—the landlord may terminate the tenancy within the rental term only for cause: that is, for a violation of the rental agreement, and still must provide notice. If the landlord terminates the fixed-term tenancy because the landlord intends to demolish or convert the unit, to make repairs that would render the unit unfit for occupancy, if the landlord or a member of the landlord’s family intends to occupy the unit, or if they are selling the unit to a new owner who intends to live in it, they must provide a 90 day notice of termination of the tenancy after the expiration of the fixed term.