# HB 3054 A STAFF MEASURE SUMMARY

Carrier: Rep. Marsh

## House Committee On Housing and Homelessness

Action Date:	04/07/25
Action:	Do pass with amendments and rescind
	subsequent referral to Ways and Means. (Printed A-Eng.)
Vote:	7-5-0-0
Yeas:	7 - Andersen, Dobson, Fragala, Gamba, Levy E, Marsh, Sosa
Nays:	5 - Breese-Iverson, Edwards, Helfrich, Javadi, Mannix
Fiscal:	Has minimal fiscal impact
Revenue:	No revenue impact
Prepared By:	Iva Sokolovska, LPRO Analyst
Meeting Dates:	2/3, 4/2, 4/7

### WHAT THE MEASURE DOES:

The measure limits rent increases for renters in manufactured dwelling parks and floating home marinas in facilities with more than 30 spaces and also prevents landlords from requiring tenants to agree to inspections when a home is sold or carry out aesthetic or cosmetic improvements.

#### **Detailed Summary**

#### **Rent Increases**

Establishes the maximum annual rent increase percentage allowed for manufactured dwelling parks and floating home marinas in facilities with more than 30 spaces at six percent.

Exempts facilities with more than 30 spaces if the rent increase is

- not greater than 12 percent;
- in lieu of and not in addition to a rent increase allowed within the 12-month period;
- occurring at least five years following a previous rent increase authorized under this paragraph, if any;
- related to a significant project to add, replace, repair or upgrade infrastructure for the facility;
- approved by a written affirmative vote of 51 percent of the spaces in the facility that are occupied by tenants on a vote that contains the signature, identifies the space of the voter, and is collected in a specific manner; and
- fully refunded to tenants by the landlord, without demand, less the maximum allowable rent increase, if the project is not substantially completed as described in the notice within 12 months of the estimated completion date in the notice.

### **Sales Constraints**

- Prohibits landlords from requiring selling tenants or purchasers to consent to or obtain an inspection of the interior of the dwelling as a condition of a sale or new tenancy.
- Allows landlords to only require prospective tenants to carry out repairs and maintenance, not aesthetic or cosmetic improvements.

Declares emergency, effective September 1, 2025.

### **ISSUES DISCUSSED:**

- Conditions in parks and marinas
- Maintenance costs for landlords and tenants
- Trends in rent increases over the past few decades

### **EFFECT OF AMENDMENT:**

### HB 3054 A STAFF MEASURE SUMMARY

The amendment establishes the maximum annual rent increase percentage allowed for manufactured dwelling parks and floating home marinas in facilities with more than 30 spaces at six percent.

**Detailed Summary:** 

- Specifies conditions under which the rent increase is not subject to these maximum percentages.
- Removes provisions limiting landlords to requiring no more than 10 percent greater rent of the selling tenant's rent of a new owner of a manufactured dwelling or floating home that remains on a rented space.
- Removes limit on initial rent for prospective purchasers of a manufactured dwelling or floating home and requirement to study the need for improvements to water and sewer or septic systems in manufactured dwelling parks and floating home marinas.
- Declares emergency, effective September 1, 2025.

# **BACKGROUND:**

Manufactured homes are factory-built residences that are installed in one to three sections after being delivered to residential property. The majority of the building process is automated, which reduces costs compared with site-built housing. These homes come in all size ranges and can be built to look like other single-family homes; they can have slanted roofs, be affixed to foundations, and be owned as real estate just like site-built or stick-built homes (which are assembled on their permanent house location). Roughly <u>two-out-of-five manufactured</u> <u>homeowners do not own the underlying land</u>. Manufactured housing is one of the largest sources of affordable housing in the U.S. In Oregon, these homes make up eight percent of the state's total housing stock and 16 percent of its affordable housing, according to American Community Survey data from 2013-2017.

Senate Bill 608 (2019) capped annual residential rent increases at seven percent plus the Consumer Price Index (CPI) for All Urban Consumers, West Region (All Items), as last published by the Bureau of Labor Statistics. Exceptions applied to newly constructed units, rent resets after voluntary tenant departures, government-subsidized housing, and publicly built and regulated affordable housing. <u>House Bill 3113 (2021)</u> later clarified that landlords of affordable housing units were exempt if the rent increase did not affect the tenant's portion of rent or if a tenant's income change altered their eligibility for an affordable housing program. The Oregon Office of Economic Analysis determined the maximum allowable rent increase to be 9.9 percent for 2022 and 14.6 percent for 2023. The Oregon Legislature passed <u>SB 611 in 2023</u>, allowing the maximum allowable increase was issued before July 6, 2023. If the increase was issued after July 6, 2023, the maximum allowable increase was to be the lower of either 10 percent or seven percent plus the one-year change in the CPI. This bill also clarified that the rent cap applies to units where a tenant was evicted and restricts rent increases to once per 12-month period, except for week-to-week tenancies.