

A-Engrossed
House Bill 3521

Ordered by the House April 11
Including House Amendments dated April 11

Sponsored by Representative HARTMAN; Representatives ANDERSEN, GAMBA, NATHANSON, NGUYEN H,
Senators JAMA, PATTERSON

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act awards an applicant money from a landlord who breaks a promise to rent a home and does not return the deposit soon after. (Flesch Readability Score: 63.0).

[Digest: This Act awards damages if a landlord revokes an offer of housing. (Flesch Readability Score: 60.7).]

Requires residential landlords to pay a minimum amount of damages for breaching an agreement to later execute a rental agreement **of a habitable dwelling unit** in exchange for holding a deposit, **unless the deposit is returned within five business days or repayment is excused based on an act of God.**

A BILL FOR AN ACT

1
2 Relating to residential tenancy hold deposits; creating new provisions; and amending ORS 90.297.

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

4 **SECTION 1.** ORS 90.297 is amended to read:

5 90.297. (1) Except as provided in ORS 90.295 and in this section, a landlord may not charge a
6 deposit or fee, however designated, to an applicant who has applied to a landlord to enter a rental
7 agreement for a dwelling unit.

8 (2) A landlord may charge a deposit[, *however designated,*] to an applicant for the purpose of
9 securing the execution of a rental agreement, **only** after approving the applicant's application but
10 prior to entering into a rental agreement. **Before receiving the deposit**, the landlord must give the
11 applicant a written statement describing:

12 (a) The amount of rent and the fees the landlord will charge and the deposits the landlord will
13 require; [*and*]

14 (b) The terms of the agreement to execute a rental agreement; and

15 (c) The conditions for refunding or retaining the deposit.

16 (3) If a rental agreement is executed, the landlord shall either apply the deposit toward the
17 moneys due **to** the landlord under the rental agreement or refund [*it*] **the deposit** immediately to
18 the tenant.

19 (4) If a rental agreement is not executed due to a failure by the applicant to comply with the
20 agreement to execute, the landlord may retain the deposit, **unless the applicant has rejected the**
21 **agreement due to the discovery of material defects relating to the premise's habitability, as**
22 **described in ORS 90.320 (1).**

23 (5) If a rental agreement is not executed due to a failure by the landlord to comply with the
24 agreement to execute **or due to a tenant's rejection of the agreement based on uninhabitability**

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 **as described in subsection (4) of this section**, within *[four]* **five business** days the landlord shall
2 return the deposit to the applicant either by making the deposit available to the applicant at the
3 landlord's customary place of business or by mailing the deposit by first class mail to the applicant.

4 (6) If a landlord fails to comply with this section, the applicant or tenant[, *as the case may be,*]
5 may recover from the landlord:

6 (a) The amount of any fee or deposit charged, [*plus \$150.*] **as provided in subsection (5) of this**
7 **section; and**

8 (b) **If the repayment was not made timely under subsection (5) of this section, and the**
9 **failure to repay was not due to an act of God, a penalty equal to the greater of the deposit**
10 **or an amount agreed to by the parties.**

11 **SECTION 2. The amendments to ORS 90.297 by section 1 of this 2025 Act apply to deposits**
12 **received on or after January 1, 2026.**