

Enrolled House Bill 3521

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

CHAPTER

AN ACT

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

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

SECTION 1. ORS 90.297 is amended to read:

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

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

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

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

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

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

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

(5) If a rental agreement is not executed due to a failure by the landlord to comply with the agreement to execute **or due to a tenant's rejection of the agreement based on uninhabitability as described in subsection (4) of this section**, within *[four]* **five business** days the landlord shall return the deposit to the applicant either by making the deposit available to the applicant at the landlord's customary place of business or by mailing the deposit by first class mail to the applicant.

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

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

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

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

Passed by House April 17, 2025

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Timothy G. Sekerak, Chief Clerk of House

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Julie Fahey, Speaker of House

Passed by Senate June 12, 2025

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Rob Wagner, President of Senate

Received by Governor:

.....M.,....., 2025

Approved:

.....M.,....., 2025

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Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M.,....., 2025

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Tobias Read, Secretary of State