

Enrolled Senate Bill 973

Sponsored by Senator PATTERSON, Representatives NERON, ANDERSEN; Senators CAMPOS, JAMA, MEEK, PHAM K, WOODS, Representatives GAMBA, GOMBERG, HARTMAN, HUDSON

CHAPTER

AN ACT

Relating to publicly supported housing; creating new provisions; amending ORS 456.259 and 456.262 and section 10, chapter 56, Oregon Laws 2021; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 90.

SECTION 2. If a dwelling unit is subject to an affordability restriction, as defined in ORS 456.250, prior to charging an applicant screening charge or entering into a rental agreement, a landlord shall give an applicant or prospective tenant:

(1) The notice required under ORS 456.259 (4); or

(2) If ORS 456.259 (4) does not apply, a written notice that provides the earliest date that the affordability restriction could be terminated, in the form prescribed by the Housing and Community Services Department by rule.

SECTION 3. ORS 456.259 is amended to read:

456.259. (1) In addition to notices given under ORS 456.260 and 456.262, the owner of publicly supported housing as described in ORS 456.250 (6)(a)(B) in which the Housing and Community Services Department is a party to the contract must provide notice to the tenants under this section before the owner withdraws the participating property from publicly supported housing.

(2) The notice required under this section must be in *[plain language]* **substantially the form prescribed by the department by rule** and must include:

(a) That the owner intends to withdraw the property from publicly supported housing upon the specified termination date;

(b) An explanation and any expiration date of any safe harbor provisions which may allow the tenant to retain the tenancy after the affordability restriction is terminated, including the provisions of ORS 456.267;

(c) Information about tenant resources, as may be required by the department by rule; *[and]*

(d) Information, in each of the five most commonly spoken languages in Oregon other than English, on how to view a translation of the notice on the department's website that is written in each of those languages; and

[(d)] (e) Other information required by the department by rule.

(3) The notice required under this section must be delivered no more than *[24]* **36** months and at least *[20]* **30** months before the termination date by:

(a) First class mail to:

(A) Any tenant residing at the participating property at the tenant's mailing address; and

- (B) The Director of the Housing and Community Services Department; and
- (b) Posting the notice in a common area of the property.

(4) During the period [20] **30** months prior to the termination date, the owner *[must]* **shall** give a copy of the notice required under this section to any prospective tenant of the property before the owner or landlord may assess a screening charge under ORS 90.295 or enter into a rental agreement.

(5) *[If an owner fails to give notices]* **For each tenant to whom the owner fails to give a notice as** required under *[subsection (3) or (4) of]* this section, the owner shall:

(a) Extend the termination date until no earlier than [20] **30** months after delivery of *[all notices required under subsection (3) or (4) of this section]* **the notice to the tenant;** and

(b) Provide notice of the extension to the department *[and to each tenant that is entitled to notice under this section]*.

SECTION 4. ORS 456.262 is amended to read:

456.262. (1) After the owner of a participating property has delivered the notice under ORS 456.260 (1) or 30 months prior to the date when the contract term would expire as described in ORS 456.260 (1)(a), whichever is earlier, the Housing and Community Services Department may appoint a designee to act as purchaser of the participating property. The appointment becomes effective upon the department delivering to the property owner notice of the appointment of a designee. The department must consult with each local government where the property is located before appointing a designee under this subsection. The department shall enter into a written agreement with the appointed designee requiring that the designee and any of the designee's successors or assigns:

(a) Agree to preserve the affordability of the participating property; and

(b) Assume all rights and responsibilities attributable to the department as a prospective purchaser of the participating property.

(2) No later than 60 days prior to the termination date, a qualified purchaser may deliver by certified mail, with return receipt requested, an offer to the property owner to purchase the participating property, which includes a notice that the qualified purchaser may record a notice of right of first refusal under subsection (3) of this section. A property owner is under no obligation to accept an offer made under this subsection.

(3) No earlier than 14 days after delivery of the offer under subsection (2) of this section and no later than the termination date, a qualified purchaser may record in the real property records of the county a notice of right of first refusal in a form prepared by the department that:

(a) Includes a legal description of the participating property;

(b) Attaches a copy of the notice delivered with the offer and proof of mailing of the notice as required by subsection (2) of this section;

(c) Declares that the department or local government party acknowledging the instrument holds the right of first refusal to purchase the property under ORS 456.263 and that the acknowledging party may assign the right of first refusal to a qualified purchaser and that right may be, from time to time, reassigned;

(d) Declares that the right of first refusal shall expire 36 months after the termination date;

(e) Declares that a copy of the recorded notice of right of first refusal must be promptly delivered to the property owner by the qualified purchaser offering the instrument for recording; and

(f) Is executed and acknowledged by an authorized representative of the local government or department in the manner provided for the acknowledgment of deeds.

(4) The property owner may not withdraw the participating property from publicly supported housing and terminate the affordability restrictions until the termination date, which may not be sooner than the latest of the date:

(a) *[Twenty]* **Thirty** months following the owner's delivery of all notices required under ORS 456.259 (3) and (4);

(b) Twenty-four months following the owner's delivery of all notices required under ORS 456.260 (2);

(c) Thirty months following the owner's delivery of all notices required under ORS 456.260 (1); or

(d) Upon which all affordability restriction periods set forth in any contract expire.

(5) At any time after the notice described in ORS 456.260 (1) has been delivered, within 30 days of the request from a qualified purchaser, the property owner shall make available documents that are relevant to the participating property at the property owner's principal place of business or at a commercial photocopying facility.

(6)(a) Notwithstanding the provisions of ORS 192.311 to 192.478 relating to public records, the documents provided by the property owner to a qualified purchaser under subsection (5) of this section are confidential and exempt from public inspection except with the written consent of the property owner or as ordered by a court.

(b) Notwithstanding paragraph (a) of this subsection, disclosure may be made to potential funding sources, regulatory agencies or agents or consultants of a qualified purchaser in connection with a transaction between the property owner and a qualified purchaser under this section, subject to appropriate confidentiality agreements.

(7) The department may record a notice of right of first refusal as described in subsection (3) of this section without delivering an offer if:

(a) No qualified purchaser has recorded a right of first refusal 60 days prior to the termination date;

(b) The department has given written notice to the owner 14 days in advance; and

(c) The notice of right of first refusal is recorded prior to the termination date.

SECTION 5. (1) Section 2 of this 2025 Act becomes operative on January 1, 2026.

(2) The amendments to ORS 456.259 and 456.262 by sections 3 and 4 of this 2025 Act become operative on January 1, 2026.

SECTION 6. On or before December 1, 2025, the Housing and Community Services Department shall:

(1) Adopt rules to provide a form of each notice to tenants required under section 2 (2) of this 2025 Act and ORS 456.259 (2); and

(2) Publish to the department's website the form of each notice to tenants and the translations of the forms as described in ORS 456.259 (2)(d).

SECTION 7. Section 10, chapter 56, Oregon Laws 2021, as amended by section 11, chapter 389, Oregon Laws 2023, is amended to read:

Sec. 10. (1) The amendments to ORS 456.250, 456.258, 456.260, 456.262, 456.263 and 456.265 by sections 1 to 5 and 9, chapter 56, Oregon Laws 2021, and sections 5 to 9, **chapter 389, Oregon Laws 2023, [of this 2023 Act]** apply to participating properties with a termination date on or after July 1, 2024.

(2) ORS 456.259, *[sections 2 and 3 of this 2023 Act]* **as in effect on December 31, 2025, ORS 456.261 and 456.267** and the amendments to ORS 456.264 by section 8, chapter 56, Oregon Laws 2021, and section 10, **chapter 389, Oregon Laws 2023, [of this 2023 Act]** apply to participating properties with a termination date on or after *[the effective date of this 2023 Act]* **July 27, 2023, except as provided under subsection (3) of this section and** except that if the termination date is earlier than *[20 months after the effective date of this 2023 Act]* **March 27, 2025:**

(a) The notices required under ORS 456.259 (3) and (4) must be given no later than 30 days after *[the effective date of this 2023 Act]* **July 27, 2023.**

(b) An owner's failure to comply with ORS 456.259 (3) or (4) by the deadline in paragraph (a) of this subsection may be remedied only by a tenant's recovery of damages, costs and attorney fees as described in ORS 456.264, but does not require an extension of the termination date under ORS 456.259 (5).

(3) The amendments to ORS 456.259 and 456.462 by sections 3 and 4 of this 2025 Act and the form of the notice adopted under section 6 of this 2025 Act apply to participating properties with a termination date on or after July 1, 2028.

SECTION 8. This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.

Passed by Senate April 2, 2025

.....
Obadiah Rutledge, Secretary of Senate

.....
Rob Wagner, President of Senate

Passed by House May 13, 2025

.....
Julie Fahey, Speaker of House

Received by Governor:

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

Approved:

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

.....
Tina Kotek, Governor

Filed in Office of Secretary of State:

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

.....
Tobias Read, Secretary of State