

# Senate Bill 973

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

## 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 **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest:** Amends the notices that a landlord must give to tenants warning when the landlord's obligation to charge the tenant low rent will end. (Flesch Readability Score: 62.1).

Requires a landlord of publicly supported housing to provide all applicants and new tenants notice of when the affordability restrictions may be terminated. Becomes operative January 1, 2026.

Extends from 20 months to 30 months the minimum notice landlords must give existing tenants regarding expiring affordability restrictions. Requires the Housing and Community Services Department to adopt rules by December 1, 2025, that prescribe the form of the notice and translations. Applies to properties with restrictions ending on or after July 1, 2028.

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

## A BILL FOR AN ACT

1  
2 Relating to publicly supported housing; creating new provisions; amending ORS 456.259 and 456.262  
3 and section 10, chapter 56, Oregon Laws 2021; and prescribing an effective date.

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

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

6 **SECTION 2. If a dwelling unit is subject to an affordability restriction, as defined in ORS  
7 456.250, prior to charging an applicant screening charge or entering into a rental agreement,  
8 a landlord shall give an applicant or prospective tenant:**

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

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

13 **SECTION 3. ORS 456.259 is amended to read:**

14 456.259. (1) In addition to notices given under ORS 456.260 and 456.262, the owner of publicly  
15 supported housing as described in ORS 456.250 (6)(a)(B) in which the Housing and Community Ser-  
16 vices Department is a party to the contract must provide notice to the tenants under this section  
17 before the owner withdraws the participating property from publicly supported housing.

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

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

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

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

26 (d) **Information, in each of the five most commonly spoken languages in Oregon other**

**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 **than English, on how to view a translation of the notice on the department’s website that**  
 2 **is written in each of those languages; and**

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

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

6 (a) First class mail to:

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

8 (B) The Director of the Housing and Community Services Department; and

9 (b) Posting the notice in a common area of the property.

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

13 (5) [*If an owner fails to give notices*] **For each tenant to whom the owner fails to give a no-**  
 14 **tice as** required under [*subsection (3) or (4) of*] this section, the owner shall:

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

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

19 **SECTION 4.** ORS 456.262 is amended to read:

20 456.262. (1) After the owner of a participating property has delivered the notice under ORS  
 21 456.260 (1) or 30 months prior to the date when the contract term would expire as described in ORS  
 22 456.260 (1)(a), whichever is earlier, the Housing and Community Services Department may appoint  
 23 a designee to act as purchaser of the participating property. The appointment becomes effective  
 24 upon the department delivering to the property owner notice of the appointment of a designee. The  
 25 department must consult with each local government where the property is located before appoint-  
 26 ing a designee under this subsection. The department shall enter into a written agreement with the  
 27 appointed designee requiring that the designee and any of the designee’s successors or assigns:

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

29 (b) Assume all rights and responsibilities attributable to the department as a prospective pur-  
 30 chaser of the participating property.

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

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

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

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

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

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

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

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

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

9 (a) [Twenty] **Thirty** months following the owner's delivery of all notices required under ORS  
 10 456.259 (3) and (4);

11 (b) Twenty-four months following the owner's delivery of all notices required under ORS 456.260  
 12 (2);

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

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

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

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

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

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

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

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

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

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

35 **(2) The amendments to ORS 456.259 and 456.262 by sections 3 and 4 of this 2025 Act be-**  
 36 **come operative on January 1, 2026.**

37 **SECTION 6. On or before December 1, 2025, the Housing and Community Services De-**  
 38 **partment shall:**

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

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

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

45 **Sec. 10.** (1) The amendments to ORS 456.250, 456.258, 456.260, 456.262, 456.263 and 456.265 by

1 sections 1 to 5 and 9, chapter 56, Oregon Laws 2021, and sections 5 to 9, **chapter 389, Oregon Laws**  
 2 **2023**, [of this 2023 Act] apply to participating properties with a termination date on or after July 1,  
 3 2024.

4 (2) ORS 456.259, [sections 2 and 3 of this 2023 Act] **as in effect on December 31, 2025, ORS**  
 5 **456.261 and 456.267** and the amendments to ORS 456.264 by section 8, chapter 56, Oregon Laws  
 6 2021, and section 10, **chapter 389, Oregon Laws 2023**, [of this 2023 Act] apply to participating  
 7 properties with a termination date on or after [the effective date of this 2023 Act] **July 27, 2023, ex-**  
 8 **cept as provided under subsection (3) of this section and** except that if the termination date is  
 9 earlier than [20 months after the effective date of this 2023 Act] **March 27, 2025:**

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

12 (b) An owner’s failure to comply with ORS 456.259 (3) or (4) by the deadline in paragraph (a)  
 13 of this subsection may be remedied only by a tenant’s recovery of damages, costs and attorney fees  
 14 as described in ORS 456.264, but does not require an extension of the termination date under ORS  
 15 456.259 (5).

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

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

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