Detailed Summary of HB 3054A, Protection for Manufactured Home Park Residents

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Key Elements of <u>HB 3054A</u>:

- Limits annual rent increases to no more than 6% per year in larger manufactured home parks or marinas with more than 30 units.
 - Covered landlords would be able to increase the rent once every five years up to 12% to address a significant infrastructure repair, upgrade, or additional cost, with the approval of at least 51% of homeowners.
 - If the improvements justifying the rent increase do not take place, the price increase would be refunded.
 - Smaller parks or marinas with 30 units or less would be exempt from the new law, and would continue to be covered by the current law.
- Makes 2 small but important changes to the rules when homeowners want to sell their home when moving out.
 - Prohibits landlords from requiring a selling tenant or a prospective purchaser to make *aesthetic or cosmetic* improvements to the home.
 - Prohibits landlords from requiring home *interior* inspections as a condition of in-place home sale.

Section by Section Detailed Summary:

Section 1: Rent Stabilization Cap of 6% per Year for Large Parks - Amends 90.324, the current rent stabilization statute, to create 2 categories of tenancies.

- Subsection 1(a) specifies that manufactured home parks with more than 30 units have a flat 6% annual rent cap.
- Subsection 1(b) makes clear that current law (annual cap of 7% plus cpi with a max of 10%) continues to apply to all other tenancies (apartments, single family homes, and manufactured home parks/marinas with 30 or less units)

Section 2: Cross Reference - No change to current law; simply correcting an internal cross reference.

Section 3: Allowance for Rent Increase up to 12% Once Every 5 Years for Infrastructure

- Amends ORS 90.600(3), the manufactured home park and marina rent statute, to echo the 6% cap for large parks with more than 30 units consistent with 90.324 in Section 1 of the bill.
- Amends ORS 90.600(3) to create an exception to the 6% cap in certain circumstances:
 - Once every 5 years, a landlord may increase up to 12% in a year, if related to a significant project to add, replace, repair or upgrade infrastructure for the facility.
 - This increase must be approved by a written vote of 51 percent of the spaces in the facility that are occupied by tenants
 - At least 30 days prior to the vote, landlord must provide written information about the proposed infrastructure project, a documented estimate of the cost, an

estimated timeline for the project and the estimate of the rent increase necessary to cover the cost of the improvement;

- At least 14 days prior to the vote, the landlord must meet with the tenants to discuss the proposal; and
- If the project is not substantially completed within 12 months of the estimated completion date, the rent increase above 6% must be fully refunded.

Section 4: Prohibiting Landlord Interference with Resident Ability to Sell Home

- Amends ORS 90.680 (provisions related to the sale of homes in a park or marina)
 - *Page 6, line 12 and 14; page 7 line 36:* These changes delete a landlord's ability to require residents to make cosmetic or aesthetic "*improvements*" to the exterior of their homes prior to sale. The landlord's ability to require **maintenance** of the exterior is preserved.
 - Page 6, line 12 deletes reference to cosmetic or aesthetic improvements from the obligation to maintain in ORS 90.680 (9)(a)(D)
 - Page 6, line 14 and page 7 line 36 deletes reference to improvements, which came from 90.680(9)(a)(D)
 - All references to "maintenance" are retained.
 - *Page 7, line 42 Page 8, line 2:* Prohibits a landlord from requiring *interior* inspection of a home as a condition of approving a sale.

Section 5: Effective date

• Provides that the bill takes effect on September 1, 2025.

Current Law vs HB 3054A				
	Single Family Homes,	Manufactured Home	Large Parks or	Small Parks or
	Duplexes, Apartments,	Park and Marina	Marinas with more	Marinas with 30 or
	etc	Facilities	than 30 units	fewer units
	Covered by 90.324	(defined by ORS 90.100		
		(16), (29), and (30)) as 4		
		or more spaces or slips		
Current Law	7% plus CPI with a cap of	same	Same, no distinction	Same, no distinction
Rent Increase Statute	10% per year		with respect to size of	with respect to size
sets out the standard of			park	of park
7% plus cpi with a cap				
of 10% per year				
See ORS 90.324 and				
ORS 90.600				
HB 3054A	Same as current law, 7%	Small parks are same as	Up to 6% per year;	Same as current law,
Amends 90.324 and	plus CPI with a cap of	current law, large parks		7% plus CPI with a
90.600 to create a new	10% per year	have new standard	*1x per 5 years, LL can	cap of 10% per year
standard that applies			increase up to 12%, if	
to large manufactured			for infrastructure and	
home parks and			approved by 51% of the	
marinas with more			tenants	
than 30 units				