



OREGON
ASSOCIATION
OF REALTORS®

SENATE BILL 608

STATEWIDE RENT CONTROL SUMMARY



Summary: SB 608

Termination Standards When Landlord Does Not Live in Same Unit or Duplex as Tenant

- Limits no-cause termination of tenancy after the first year of occupancy. Landlords can still terminate tenancy for tenant-based cause (non-payment, violation of rental agreement, outrageous conduct, etc.).
- Adds new (4) “qualified” landlord-based reasons to terminate a tenancy without cause:
 1. Demolition or conversion of the unit to non-residential use
 2. Repair/renovation that renders the unit unsafe/unfit for occupancy
 3. Landlord or immediate family member to move-in
 4. Sale to a person who intends in good faith to occupy the home as a primary residence (if dwelling unit is sold separately from another dwelling unit)
- If using landlord-based reason, landlord must provide tenant with 90-day notice and relocation expenses of one month’s rent (landlords with four or fewer units exempt from relocation expense provision).

Month-to-Month Tenancy Details

- For first 12 months of occupancy, landlord may terminate tenancy without cause with a 30-day notice (90-day notice required in Portland and Milwaukie - check your local laws).
- After first 12 months of occupancy, landlord may terminate a tenancy only for tenant-based cause, or by using one of the four new landlord-based reasons.

Fixed-Term Tenancy Details

- If the specified ending date of the fixed term is within the first year of occupancy, landlord may terminate without cause by giving the tenant 30 days’ notice prior to the specified ending date for the fixed term, or 30 days prior to the date designated in the notice, whichever is later (90 days in Portland and Milwaukie).
- After first 12 months of occupancy, fixed-term lease will automatically roll over to month-to-month unless:
 - Landlord and tenant agree to a new fixed term lease.
 - Tenant gives notice not less than 30 days prior to the specified ending date of the fixed term or the date designated in the notice for the termination of the tenancy, whichever is later.
 - Landlord has one of the landlord-based causes described above and provides 90-day notice.
 - Tenant has violated the terms of the rental agreement 3 separate times during a 12-month period, with written warnings for each violation given contemporaneously with the violation.

Termination Standards When Landlord Lives in Same Unit or Duplex (landlord occupied, two units or less)

- Landlord may still terminate a tenancy without cause at any time per the following notice requirements, if the unit is being sold separately (the stricter rules above apply if landlord sells entire duplex):
 - 60 days for month-to-month tenancy (30 days if offer to purchase from person who will move in)
 - 30 days prior to the end of a fixed-term tenancy or date designated in notice, whichever is later

Annual Rent Increase Cap

- Landlords may increase rent by no more than 7% + Consumer Price Index (CPI) in a 12-month period.
- Maintains current law regarding rent increases; prohibits rent increases in first year of month-to-month tenancy and requires that landlords give 90-day notice of rent increases thereafter.

Exceptions to Annual Rent Increase Cap

- New Construction: A landlord may increase the rent above 7% +CPI in a 12-month period if the certificate of occupancy was issued less than 15 years ago.
- New Tenancy: If the previous tenant vacated the unit voluntarily or their tenancy was terminated for-cause, the landlord may reset the rent on the new tenancy without limitation.
- Subsidized Housing: If the landlord is providing reduced rent to the tenant as part of a federal, state, or local program or subsidy, they are exempt.

Enforcement

- If a landlord violates the new provisions, they are liable for three months’ rent plus actual damages.

Frequently Asked Questions: SB 608

Is the selling of a home a for-cause or no-cause eviction?

The act of selling a home itself is not an eviction and does not affect the rights of the tenant. The new owner takes over in place of the old owner as the landlord and the rights and responsibilities of landlord and tenant continue. However, within the first year of occupancy a landlord may terminate a tenancy for no-cause (whether the landlord is selling the home or not) with a notice of 30-days (local laws may require additional notice) prior to the date specified in the notice or the ending date of a fixed term tenancy (whichever is later). If the tenant has occupied the unit for more than one year, the landlord may no longer terminate the tenancy for no-cause, unless they invoke one of the new landlord-based reasons. One of those reasons is selling the home, separately from any other dwelling unit, to a purchaser who intends to occupy the home as a primary residence. In that situation, the landlord may terminate the tenancy with a 90-day notice and relocation assistance if they provide the notice and written evidence of the offer to the tenant w/in 120 days of offer acceptance.

Are there exceptions if seller/landlord is going through a short sale or tax foreclosure?

There are no special provisions for short sales or tax foreclosures. The tenant will have the protections of the bill as against the “landlord,” regardless of any changes in ownership or who is legally the “landlord.”

Specifically, what must a landlord do if invoking one of the landlord-based reasons to terminate a tenancy?

The landlord must specify in the termination notice the reason for the termination and supporting facts, state that the rental agreement will terminate not less than 90 days after the delivery of the notice, and at the time of the notice pay tenant an amount equal to one month’s periodic rent if the landlord owns 5 or more residential dwelling units. Additionally, if the landlord is terminating because of sale to a person who will occupy the home as their primary residence, the landlord must provide the notice and written evidence of the offer to purchase the dwelling unit to the tenant not more than 120 days after accepting the offer to purchase.

If a home is sold to a new owner, can the new owner terminate the tenancy?

If a person purchases a home occupied by a tenant, the new owner becomes the landlord and owes the tenant the same rights and duties as the old landlord, both under statute and any existing rental agreement. The sale of a home to a new owner does not “reset” the clock on the length of the tenancy. The length of the tenancy is determined by when the tenancy first began between the tenant and the original landlord. If the new owner intends to occupy the home as a primary residence and the old landlord provided proper notice as required in the bill, then the tenant must leave per the notice. Otherwise, the new landlord is bound by all of the provisions and timelines described above and can only terminate the tenancy according to those provisions and timelines.

How does SB 608 impact closing and occupancy timelines when a new owner will occupy the residence?

The closing date in the sale of real property is a construct of contract law between the parties and is not affected by the new law which governs landlord-tenant relations. Once closed, a new owner may move into the property after the tenant has vacated per the notice requirements in the legislation and any lease agreement that exists between the parties. Notice can be given by the landlord as soon as an offer is accepted on the home. The notice timelines are:

- For a month-to-month tenancy within the first year of occupancy, 30 days notice.
- For a fixed term tenancy that ends within the first year of occupancy, 30 days notice prior to the specified ending date of the fixed term or the date specified in the notice, whichever is later.

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- For a month-to-month tenancy after the first year of occupancy, 90 days notice once offer is accepted.
- For a fixed term tenancy ending after the first year of occupancy, once offer accepted, 90 days prior to the ending date of the fixed term or the date specified in the notice, whichever is later.

What if my city or county has its own rent caps and/or tenant protections?

Oregon law prohibits local jurisdictions from enacting rent control but allows local jurisdictions to enact other forms of tenant protections. SB 608 did not add or remove any express preemptions in Oregon law. The City of Portland has what it calls a “[relocation ordinance](#).” The City of Milwaukie has what it calls a “[no-cause eviction ordinance](#).” Both ordinances require a 90-day notice for a no-cause termination of tenancy. The City of Portland’s ordinance requires a 90-day notice for other events as well. If you are in one of those jurisdictions, 90-day notice will be required for no-cause terminations within the first year, even though SB 608 standing on its own would allow for a 30-day notice. The City of Portland ordinance has many additional requirements, including the payment of relocation assistance under several circumstances. The relocation assistance amounts required by the City of Portland are generally higher than those required by SB 608. However, relocation assistance paid under SB 608 can count as a credit against the relocation assistance required under the City of Portland’s ordinance. There is ongoing, unresolved litigation regarding whether Portland’s relocation assistance ordinance is unlawful local rent control. Unless and until that dispute is resolved favorably for landlords, landlords must abide by the City of Portland’s ordinance as well as SB 608. Cities other than Portland and Milwaukie may also have local renter protections. It is imperative that you understand and follow your local laws. If you are unsure of your obligations under state and local laws we advise seeking legal counsel.

SB 608 says that rent caps apply to buildings 15 years or older. When does that date start? Is it rolling?

The time period is calculated by the difference between when a notice of rent increase is sent out and when a certificate of occupancy was issued for the dwelling unit.

How do we find out what the CPI/inflation number is each year?

No later than September 30th of each year, the Oregon Department of Administrative services (“DAS”) is responsible for calculating the maximum annual rent increase percentage. The number will be calculated as “seven percent plus the September annual 12-month average change in the Consumer Price Index (CPI) for All Urban Consumers, West Region (All Items), as most recently published by the Bureau of Labor Statistics of the United States Department of Labor.” The law requires DAS to publish the maximum annual rent increase percentage in a press release. As of 11/5/19 that information is available at <https://www.oregon.gov/das/OEA/Pages/Rent-stabilization.aspx>.

Do these laws apply to commercial leases as well?

Generally, no. The new law is part of Oregon’s “Residential Landlord and Tenant Act.” Most of the provisions of the law govern conduct by the type of landlords who own or control “dwelling units” (living spaces).

Can landlords raise rent by more than 7% + CPI when a tenant moves out and a new tenant moves in?

Yes, but not if the landlord terminates a tenancy, or opts not to renew a lease, for no-cause within the first year.

Can relocation assistance be paid out of the proceeds of the closing of the home?

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The law does not distinguish where the relocation funds come from. If an eviction requires a landlord to pay relocation assistance, the landlord must provide an amount equal to one month's periodic rent, and that amount must be provided at the time the landlord delivers notice of termination. So long as these requirements are met, funds could be drawn from the proceeds of the closing. The key factors to consider are the amount of relocation assistance required (an amount equal to one month's periodic rent) and the time the landlord must deliver it (concurrently with the notice terminating the tenancy).

When a home is sold, who is responsible for paying the relocation assistance, the seller or the buyer?

The law requires that the landlord provide the relocation assistance at the time the termination notice is given. At that point in time, the seller is the landlord. Thus, the seller has the obligation to pay the relocation assistance. As part of the home sale transaction, buyers of tenant-occupied homes should require the seller to provide evidence of compliance with all notice and relocation assistance requirements of state and local law.

If a Landlord is using a property management company, who is liable for a violation?

The law states that “[t]he landlord shall be liable to the tenant” for a violation of the law. The law defines a “Landlord” in this context as: “the owner, lessor or sublessor of the dwelling unit or the building or premises of which it is a part. ‘Landlord’ includes a person who is authorized by the owner, lessor or sublessor to manage the premises or to enter into a rental agreement.” Liability is a highly fact-specific question and both the owner and property manager should be cautious. An attorney should be consulted regarding questions on individual circumstances.

Do leases that end after the first year become month-to-month tenancies?

The law distinguishes between week-to-week, month-to-month, and fixed-term leases. After the first 12 months of occupancy, unless a new fixed-term lease is not agreed upon, a fixed-term lease will automatically roll into a month-to-month tenancy (and thus subject the landlord/tenant to the laws governing month-to-month relationships) unless the landlord has a landlord-based reason (see above) or tenant-based cause for termination at that time.

There is an exception, however, at the landlord's discretion. If a tenant has violated the terms of the rental agreement 3 separate times during a 12-month period - with written warnings that comply with statutory requirements for content for each violation (given contemporaneously with the violation) - the fixed term will not roll over if the landlord so chooses and provides appropriate timely notices pursuant to the law.

The bill includes an exception to the relocation assistance payment requirement for landlords who own 4 or fewer properties. Does that mean 4 or fewer Oregon properties or 4 or fewer properties in total?

The bill does not specify. If this question is relevant to you, seek legal advice.

Additional Resources:

[SB 608 Text](#) / League of Oregon Cities [SB 608 FAQs](#) / [SB 608 Summary and FAQs](#) provided by GreenspoonMarder, LLC / Oregon Law Center [Section by Section Summary of the Bill](#) / [Videos and legal Q&A handbook](#) from the Oregon State Bar.

Disclaimer: This document provides a high-level summary of SB 608. It is not legal advice. Landlords should [read the bill](#) and consult an attorney before taking any action relating to end of tenancy/non-renewal notices and/or increasing rent. Sellers and buyers of homes occupied by tenants should do the same. If you don't have access to an attorney and would like to be connected to one for a low-cost initial consultation, visit the Oregon State Bar [lawyer referral service](#).