

New Rules for Landlords

It is important to realize that changes may occur in this area of law. This information is not intended to be legal advice regarding your particular problem, and it is not intended to replace the work of an attorney.

Does SB 608 apply to my tenancy?

The provisions of SB 608 apply:

1. To any fixed-term tenancy entered into or renewed after February 27, 2019;
2. To the termination of any month-to-month tenancy that occurs after March 30, 2019; and
3. To all rent increase notices.

How does a landlord send a termination notice to a tenant?

SB 608 did not change how termination notices are issued. Any termination notice must be in writing (paper, not email or text) and can be served by personal hand-to-hand delivery or first-class mail (add three additional days to any notice period if using first class mail). Some rental agreements allow the use of “post and mail,” but only if certain necessary information is contained within the rental agreement and other conditions exist.

Can a landlord terminate a month-to-month tenancy under SB 608?

In most jurisdictions, a landlord can issue a written 30-day “no cause” eviction to month-to-month tenants during the first year of occupancy. In other jurisdictions, including Portland and Milwaukie, 90 days are required instead of 30. “First year of occupancy” means the first year of any tenant’s residency at a rental property with a month-to-month rental agreement.

After the first year of occupancy, a landlord with month-to-month tenants can issue a 90-day termination notice if the landlord has a “qualifying landlord reason.” (See below for a discussion of qualifying landlord reasons.) If a landlord has a qualifying landlord reason justifying a 90-day termination notice, the landlord must:

1. Issue a termination notice that states the reason for the termination and supporting facts allowing termination;
2. State the rental agreement will terminate on a specified date at least 90 days later; and
3. Pay the tenant one month’s rent when the written termination notice is issued UNLESS the landlord has an ownership interest in four or fewer residential dwelling units anywhere (not just Oregon). Ownership interest includes being sole owner of a premises, a co-owner of a premises, or an owner of an LLC that owns real property.

A landlord can also issue a “no cause” termination notice after the first year of occupancy if the landlord’s primary residence is in the same building or on the same premises as the tenant, and the building or premises only has one or two dwelling units. This could occur if a tenant lives in an ADU on the premises. In most jurisdictions this is a 60-day notice; in others, including Portland, Bend and Milwaukie, a 90-day notice is required.

The timeline can be different when a property sale is involved, if:

1. The landlord has accepted an offer to sell a dwelling unit separately from any other unit;
2. The buyer is a person who intends in good faith to occupy the unit as the buyer’s primary residence; and
3. Within 120 days after accepting the purchase offer, the landlord provides the tenant with written notice of termination with a specific termination date and written evidence of the offer to purchase the dwelling unit.

The time period for this type of notice is 30 days in most jurisdictions; it is 90 days in Milwaukie or Portland.

Finally, a landlord can issue a written “for cause” termination notice at any time during the tenancy. Reasons for terminating a tenancy “for cause” include, but are not limited to: material breach of the rental agreement (ORS 90.392), failure to pay rent (ORS 90.394) and outrageous conduct by a tenant (ORS 90.396). Each of these “for cause” terminations has its own notice requirements.

Can a landlord terminate a fixed-term tenancy under SB 608?

A landlord can issue a written “for cause” termination notice at any time during this type of tenancy for the same reasons as a month to month tenancy, including pursuant to the statutory provisions mentioned in the last paragraph above.

For a fixed-term tenancy with an expiration date *within* the first year of occupancy, the landlord may terminate the tenancy at its expiration without cause. In most jurisdictions, the landlord must give the tenant a 30-day written notice. That means 30 days prior to the ending date of the fixed term, or 30 days prior to the date designated in the notice for the termination of the tenancy, whichever is later. Once again, the notice period is 90 days in certain jurisdictions, including Portland and Milwaukie.

For a fixed-term tenancy with an expiration date *after* the first year of occupancy, the fixed-term tenancy automatically becomes a month-to-month tenancy at its expiration unless:

1. The landlord and tenant agree to a new fixed-term tenancy;
2. The tenant gives 30-day written notice of termination; or
3. The landlord has a “qualifying landlord reason” to issue a 90-day termination notice.

A landlord may terminate a fixed-term tenancy at its expiration without cause by giving the tenant notice not less than 30 days prior to the expiration date for the fixed terms, or 30 days prior to the date designated in the notice for the termination of the tenancy, whichever is later (90 days in Portland or Milwaukie), if the following are true:

1. The landlord resides in the same building or on the same premises as the tenant; and
2. The building or the property has one or two dwelling units.

There is also a “Three Strikes Rule” for fixed-term tenancies. A landlord can prevent the tenancy from automatically becoming a month-to-month tenancy when it expires if:

1. The tenant has committed three or more violations of the rental agreement within the preceding 12-month period; and
2. The landlord has given the tenant a written warning notice at the time of each violation; and

3. The landlord issues written notice at least 90 days before the end date for the fixed term or 90 days before the termination date in the notice, whichever is later.

Each written warning notice must:

1. Specify the violation;
2. State that the landlord may terminate the tenancy at the end of the fixed term if there are three violations within a 12-month period during the fixed term; and
3. State that correcting the third or subsequent violation is not a defense to eviction.

The 90-day notice of termination for a “Three Strikes Rule” termination must be in writing. It also must:

1. State that the rental agreement will terminate upon the ending date for the fixed term or upon a designated date at least 90 days after delivery of the notice, whichever is later;
2. Specify the reason for the termination and supporting facts; and
3. Be served to the tenant concurrent with or after the third (or final) written warning notice.

What are the “qualifying landlord reasons” under SB 608 when a landlord can issue a 90- day termination notice?

The “qualifying landlord reasons” for termination are:

1. The landlord intends to demolish the dwelling unit within a reasonable time;
2. The landlord intends to convert the unit to a use other than residential within a reasonable time;
3. The landlord intends to undertake repairs or renovations to the dwelling unit within a reasonable time and:
 - a. The premises are currently unsafe or unfit for occupancy; or
 - b. The dwelling unit will be unsafe or unfit for occupancy during the repairs or renovations;
4. The landlord has accepted an offer to sell a dwelling unit separately from any other unit and:
 - a. The buyer is a person who intends in good faith to occupy the unit as the buyer’s primary residence; and
 - b. Within 120 days after accepting the purchase offer, the landlord provides the tenant with written notice of termination with a specific termination date and written evidence of the offer to purchase the dwelling unit;
5. The landlord or a member of the landlord’s immediate family intends to occupy the unit as a primary residence; and the landlord does not own a unit in the same building that is available for occupancy at the same time that the tenant receives notice to terminate the tenancy.

How can a landlord increase the rent under SB 608?

During any 12-month rolling period, most landlords may not increase the rent more than 7% plus the Consumer Price Index (CPI) above the existing rent. The Oregon Department of Administrative Services will publish the maximum annual rent increase allowed, which for 2019 is 10.3%.

A landlord is not subject to this limitation on rent increases if:

1. The first certificate of occupancy for the dwelling unit was issued less than 15 years before the rent increase notice; or
2. The landlord is providing reduced rent to the tenant as part of a federal, state or local program or subsidy.

A rent increase notice must be in writing, served upon the tenant at least 90 days before the effective date, and state:

1. The amount of the rent increase;
2. The amount of the new rent;
3. The date on which the increase becomes effective; and
4. If the increase is more than 7% + CPI, facts supporting why the landlord is not subject to the rent increase limitation.

A landlord who terminates a tenancy with a 30-day “no cause” notice during the first year of occupancy may not increase rent for the next tenancy by more than the maximum annual rent increase, which is 10.3% for 2019. This applies with a 30-day “no cause” termination notice under ORS 90.427 (3) (termination of month-to-month tenancy during first year) or ORS 90.427 (4) (termination of fixed-term tenancy to prevent it from becoming month-to-month).

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