



FAQ



# FAQ on Oregon's Rent Control Laws

AUGUST 2021

Last updated by LOC Attorneys May 2023

## FAQ on Oregon’s Rent Control Laws

During the 2019 legislative session, the Legislature passed Senate Bill (SB) 608, which amended existing laws relating to the termination of residential tenancies and rent increases.<sup>1</sup> Of note, SB 608 removed the availability of no-cause evictions for those occupancies longer than one year. In addition, the bill placed a cap on rent increases. This *frequently asked questions* (FAQs) document answers some questions cities may have about the new law. This FAQ attempts to break down the new amendments under SB 608, but is in no way a substitute for legal advice. Cities wishing to terminate a tenancy or raise rent should work with their individual city attorney.

### 1. What are the new requirements for when a landlord may terminate a tenancy?

SB 608 made no change to the current law relating to the termination of week-to-week tenancies<sup>2</sup> and month-to-month tenancies within the first year of occupancy.<sup>3</sup> SB 608 eliminated the ability of a landlord to evict a tenant for no-cause after the tenant has occupied a dwelling unit for one year. The following charts outline what termination options are available for month-to-month and fixed term tenancies during the first year of occupancy and after one year of occupancy:

#### Termination within First Year/Term of Lease

Month-to-Month (During the first year of occupancy)	During the Fixed Term	After the Fixed Term (Ending date falls within the first year of occupancy)
The landlord may terminate by delivering written notice to the tenant at least 30 days prior to the date designated in the notice for the termination.	Only <i>for cause</i> with the appropriate notice.	<p><i>For cause</i> by delivery of a written notice at least 30 days prior to the later of:</p> <ul style="list-style-type: none"> <li>• The specified ending date for the fixed term;</li> </ul> <p style="text-align: center;"><b>-or-</b></p> <ul style="list-style-type: none"> <li>• The date designated in the notice for termination.</li> </ul>

<sup>1</sup> SB 608 amended the following statutes: ORS 90.100; ORS 90.220; ORS 90.323; ORS 90.427; ORS 90.600; ORS 90.643; ORS 90.675; and ORS 105.124.

<sup>2</sup> ORS 90.427(2): Week to week tenancies may be terminated by the landlord or tenant by delivering a written notice to the other party at least ten days prior to the specified termination date.

<sup>3</sup> ORS 90.427(3): Month-to month tenancies may be terminated within the first year of occupancy by the landlord by delivering a written notice at least 30 days prior to the specified termination date.

**Termination after First Year/Term of Lease**

Month to Month (Occupancy greater than one year)	After the Fixed Term (Ending date falls after the first year of occupancy)
<p><i>For cause</i> with the appropriate notice.</p> <p>-or-</p> <p>For a <i>qualifying reason</i> with the appropriate notice</p>	<p>Upon the specified ending date for the fixed term, the tenancy automatically becomes a month-to-month tenancy unless:</p> <ul style="list-style-type: none"> <li>• The landlord and tenant agree to a new fixed term tenancy;</li> <li>• The tenant gives written notice at least 30 days prior to the later of:               <ul style="list-style-type: none"> <li>○ The specified ending date of the fixed term, or</li> <li>○ The date designed in the notice for termination;</li> </ul> </li> </ul> <p>-or-</p> <ul style="list-style-type: none"> <li>• The landlord has a <i>qualifying reason</i> and provides the proper notice.</li> </ul>

**2. Are there special termination options if the landlord lives in the same building or on the same property as the tenant?**

Yes. Dwelling units located within a landlord occupied building or property are subject to special termination rules if the building or property is the landlord’s primary residence and the building or property contain two or fewer dwelling units. In such situations, the landlord has the following available termination options:

Month-to-Month Tenancy (Occupancy greater than one year)	Fixed Term (Occupancy greater than one year)
<p><i>For cause</i> with the appropriate notice.</p> <p>-or-</p> <p>Without cause by delivering a written notice at least 60 days prior to the date designated in the notice for termination.</p> <p>-or-</p> <p>Without cause by delivering written notice at least 30 days prior to the date designated in the notice for termination if:</p>	<p>During the term of the tenancy: only <i>for cause</i> and with the appropriate notice.</p> <p>-or-</p> <p>During the term of the tenancy without cause by delivering notice at least 30 days prior to later of:</p> <ul style="list-style-type: none"> <li>• The specified ending date for the fixed term; or</li> <li>• Prior to the date specified in the notice for termination of the tenancy.</li> </ul>

<ul style="list-style-type: none"> <li>• The dwelling unit is purchased separately from any other dwelling unit;</li> <li>• The landlord has accepted an offer to purchase the dwelling unit from a person who intends in good faith to occupy the dwelling unit as the person’s primary residence; and</li> <li>• The landlord has provided the tenant with notice, and written evidence of the offer to purchase within 120 days after accepting the offer the purchase.</li> </ul>	
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**3. What does it mean to terminate “for cause”?**

Situations where landlords may terminate the tenancy “for cause” are provided for in statute, and each contains its own basis and notice requirements. SB 608 did not amend these “for cause” situations, many of which will likely include interactions with public safety officials. A chart of situations constituting “for cause” is below:

“For Cause” Situations	Statutory Citation
Part of the property was purchased at a trustee sale.	ORS 86.782(5)(c)
The dwelling unit has been deemed unsafe or unfit for habitation.	ORS 90.380(5)
The tenant violated the rental agreement.	ORS 90.392
The tenant failed to pay rent.	ORS 90.394
Specific acts or omissions that justify termination within 24 hours.	ORS 90.396
The tenant commits certain drug or alcohol violations.	ORS 90.398
The tenant has an unpermitted pet.	ORS 90.405
The tenant has committed recovery home violations.	ORS 90.440
The tenant has committed a crime of physical violence.	ORS 90.445

**4. What are the “qualifying reasons” for which a landlord may terminate a tenancy?**

Under specific qualifying reasons, a landlord may terminate a month-to-month tenancy at any time, or a fixed term tenancy upon expiration of the fixed term, by giving the tenant written notice at least 90 days prior to the date designated in the notice for the termination of the month-to-month tenancy, or the specified ending date for the fixed term, whichever is later. The notice must:

- (1) Specify the reason for the termination and supporting facts;
- (2) State that the rental agreement will terminate upon the designated date not less than 90 days after delivery of the notice; and
- (3) If the landlord owns more than four residential dwelling units, the landlord must pay the tenant an amount equal to one month's periodic rent at the same time the notice is delivered.

Qualifying Reasons	Statutory Citation
The landlord intends to demolish or convert the dwelling unit to a use other than residential within a reasonable time.	ORS 90.427(5)(a)
The landlord intends to undertake repairs or renovations to the dwelling unit and: <ul style="list-style-type: none"> <li>• The premises are unsafe or unfit for occupancy; or</li> <li>• The premises will become unsafe or unfit for occupancy during the repairs or renovations.</li> </ul>	ORS 90.427(5)(b)(A),(B)
The landlord intends for the landlord or an immediate family member <sup>4</sup> to occupy the dwelling unit as a primary residence and the landlord does not own a comparable dwelling unit that is available at the time of the notice.	ORS 90.427(5)(c)
The landlord has accepted an offer to purchase the dwelling unit separately from any other dwelling unit from a person who intends in good faith to occupy the unit as the person's primary residence and the landlord provided notice of the accepted offer within 120 days.	ORS 90.427(5)(d)(A),(B)
A fixed term tenancy becomes a month-to-month tenancy upon the expiration of the fixed term unless the landlord: <ul style="list-style-type: none"> <li>• Gives the tenant notice in writing at least 90 days prior to the later of:               <ul style="list-style-type: none"> <li>○ The specified ending date for the fixed term; or</li> <li>○ The date designated in the notice for the termination of the tenancy; and</li> </ul> </li> <li>• The tenant has committed three or more violations of the rental agreement the preceding 12-month period; and</li> </ul>	ORS 90.427(7)

<sup>4</sup> ORS 90.427(1)(b) in part: "Immediate family" defined as:

- (A) An adult person related by blood, adoption, marriage or domestic partnership, as defined in ORS 106.310, or as defined or described in similar law in another jurisdiction;
- (B) An unmarried parent of a joint child;
- (C) A child, grandchild, foster child, ward or guardian; or
- (D) A child, grandchild, foster child, ward or guardian of any person listed in subparagraph (A) or (B) of this paragraph.

<ul style="list-style-type: none"> <li>• The landlord has given the tenant a written warning notice at the time of each violation.</li> <li>• The warning notices must: <ul style="list-style-type: none"> <li>○ Specify the violation;</li> <li>○ State that the landlord may choose to terminate the tenancy at the end of the fixed term if there are three violations within a 12-month period preceding the end of the fixed term; and</li> <li>○ State that correcting the third or subsequent violation is not a defense to termination.</li> </ul> </li> </ul>	
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**5. Will a landlord be subject to any penalties if the landlord improperly terminates a tenancy for a qualifying reason?**

Yes. If a landlord violates the “qualifying reason” termination provisions, the landlord is liable to the tenant in an amount equal to three months’ rent plus any actual damages sustained by the tenant as a result of the tenancy termination. In addition, the tenant has a defense to an action for possession by the landlord. The tenant must commence an action asserting that the landlord violated the “qualifying reason” termination provisions within one year after the tenant knew or should have known of the violation.

**6. Does SB 608 address rent increases?**

Yes. SB 608 limits the percentage in which a landlord may increase the cost of rent in any 12-month period. The limitation only applies if the dwelling unit has been certified for occupancy for 15 years or longer. After the first year of occupancy, the increase is limited to seven percent (7%) plus inflation based on the “consumer price index.”

Tenancy Type	Rent Increase Limitation	Statutory Citation
<b>Week to Week Tenancy</b>	The landlord may increase the rent by providing the tenant with written notice at least seven days prior to the effective date of the rent increase. The rental increase cap does not apply.	ORS 90.323(1).
<b>All other Tenancies (during the first year of occupancy)</b>	No increase permitted.	ORS 90.323(3)(a)
<b>All other Tenancies (after the first year of occupancy)</b>	An increase of no more than 7% plus the consumer price index above the existing rent within any 12-month period.	ORS 90.323(3)(c)

**7. Are there exceptions to the rent increase limitations?**

Yes. A landlord is not subject to the seven percent (7%) rent increase cap if the dwelling unit has been certified for occupancy for less than 15 years from the date of the notice of the rent increase or the landlord is providing reduced rent to the tenant as part of a federal, state or local program or subsidy.

**8. Are there special notice requirements for rent increases?**

Yes. The landlord must provide notice of any rent increases for all tenancies at least 90 days (other than week-to-week tenancies as provided above) prior to the effective date of the increase. In addition, the notice must provide:

- The amount of the rent increase;
- The amount of the new rent; and
- The date on which the increase becomes effective.

If the landlord is raising rent at a percentage above the seven percent (7%) cap because the unit has been certified for occupancy for less than 15 years or the landlord is providing reduced rent as part of a federal, state or local, program or subsidy, the notice must include all of the above factors, plus the facts supporting why the seven percent (7%) cap does not apply.

**9. What penalties do landlords face for violations of the new rent increase law?**

A landlord that increases rent in violation of these provisions is liable to the tenant in an amount equal to three months' rent plus actual damages suffered by the tenant.

**10. What is the “Consumer Price Index,” and how is the annual rent increase cap determined?**

For the purposes of SB 608, the “consumer price index” refers to the annual 12-month average change in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor in September of the prior calendar year. Each year, the Oregon Department of Administrative Services will calculate the maximum annual rent increase percentage, publish the maximum annual rent increase percentage in a press release, and maintain publicly available information on its website about the maximum annual rent increase percentage for the previous and current calendar years.

**11. Does SB 608 provide any other restrictions on rent increases?**

Yes. A landlord who terminates a month-to-month tenancy for cause under the provisions of ORS 90.427(3) or (4) during the first year of a tenancy may not reset rent for the next tenancy in an amount greater than seven percent (7%) plus the consumer price index above the previous rent amount.

**12. Do the above rent increase caps apply to manufactured dwellings and floating home spaces?**

Yes. Month-to-month rental agreements of manufactured dwelling and floating homes spaces pursuant to ORS 90.505 to 90.850 are also subject to a rent increase cap of seven percent (7%) plus the consumer price index of existing rent.