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Legislative Committee Services State Capitol Building Salem, Oregon 97301 (503) 986-1813 Background Brief on ...

Landlord-Tenant Rights

Landlord-tenant law governs the rental of commercial and residential property. Prior to the civil rights movement of the 1960s, residential landlord-tenant relationships were governed primarily by common law and court decisions. By the late 1970s, most states had adopted a state-specific version of model language developed by the National Conference of Commissioners on Uniform State Laws, called the Uniform Residential Landlord and Tenant Act. Oregon's version, passed in 1973, appears in <u>Title 10</u> of the Oregon Revised Statues (Chapter 90).

The Oregon Residential Landlord and Tenant Act sets forth the rights and responsibilities of both landlords and tenants. It applies to the rental of premises that are used as a tenant's primary residence, including rooms, apartments, homes, mobile homes, and floating homes. A number of specific situations are accepted, such as institutional occupancies, condominium ownership, trespassers, and some employees of landlords.

Rights and Responsibilities of the Landlord *Habitability*

The Oregon Residential Landlord and Tenant Act requires that a rental unit be in habitable condition at all times during a tenancy. Habitable means the building and grounds are clean, utilities and systems are properly maintained and functioning (plumbing, water, heat, etc.), and the roof, walls, windows and doors are waterproof and protected from weather. Rentals must also include a working smoke detector, a working carbon monoxide detector (if there is a source of carbon monoxide), and working locks on all entrance doors.

Disclosures

Rental agreements must provide notice if a rental is located in a 100-year flood plain, and must disclose the premises' smoking policy.

Security Deposits

A landlord has 31 days after termination of a rental agreement to refund all deposits and prepaid rent due the tenant. If a landlord needs to keep any portion of the deposit to cover damages, breakage, unpaid rent, etc., an itemized statement to that effect must be provided to the tenant within 31 days. Deposit money may not be used by a landlord to cover ordinary wear and tear.

A landlord is not required to repair damage in order to make a claim against a deposit. Labor cost for cleaning and repairs must be based on a reasonable hourly rate. A landlord can perform the work and charge a reasonable hourly rate. Carpet cleaning can be subtracted from the security deposit under specified circumstances.

Screening Charge

A landlord can charge a limited amount to cover the cost of screening rental applications, if the landlord provides written notice to the applicant that describes the screening, the amount charged, the rights of applicants to dispute the accuracy of information, and rental and deposit amounts. The notice must also include an estimate of the number of rental units of the type sought by the applicant that are available or will be available in a reasonable future time, as well as the approximate number of applications under consideration for those units. The screening charge must be refunded if a vacancy is filled before the screening is conducted or if the screening is not conducted for any reason, and the landlord must provide a receipt.

Additional Fees

A landlord has the right to charge a late fee as stipulated in a written rental agreement. The agreement must describe how the late charge is calculated, the date on which rent is due, and the date on which a late fee becomes due. The landlord must wait at least four days after rent is due to charge a late fee. While nonpayment of a late charge alone is not grounds for eviction for nonpayment of rent, nonpayment of a late charge may be grounds for a 30-day for-cause eviction. Interest charges on unpaid late fees can also be imposed.

If a utility or service provider bills the landlord for a utility or service provided directly to the tenant, the landlord can require the tenant to pay a utility or service charge to the landlord. A small, additional charge can be added for cable television, direct satellite or other video subscription services, or for Internet access or usage. The fee cannot be more than as stated in the written rental agreement. The additional charge must not be more than 10 percent of the utility or service charge billed to the tenant. The utility or service charge plus the additional amount must be less than the typical cost the tenant would incur if the tenant contracted directly with the provider.

A fee can also be charged if a tenant breaks a lease agreement, but the amount cannot be more than one-and-a-half times the monthly rent. If such a fee is assessed, the landlord cannot also recover unpaid rent or recover damages related to the cost of renting the unit to a new tenant.

Additional fees can be charged for a late rent payment, dishonored check, violation of a written pet agreement, or for tampering or removing a smoke detector or carbon monoxide detector. A fee up to \$50 can be charged for late payment of a utility or service charge owed to the landlord; failure to clean up pet waste, garbage, or other waste from premises other than the dwelling unit; parking violations; and improper use of vehicles.

Rent Increases

A lease agreement should establish rent for the lease period, and if the agreement provides for a rent increase, a landlord can raise the rent in accordance with those terms. For a month-to-month tenancy, a landlord can raise the rent after providing 30-days written notice; seven-day notice is required for a week-to-week tenancy; and 90 days is required for month-to-month rented space in a manufactured dwelling or floating home.

Entering a Unit

The landlord or landlord's agent must notify the tenant at least 24 hours in advance of entering

the premises. There are certain exceptions, such as when a tenant has requested repairs, when there is an emergency, when a tenant is absent for more than seven days, or if a written agreement specifies some other requirements.

Ending the Tenancy

To end a month-to-month tenancy, a tenant must be notified in writing 30-days in advance; or, 60-days in advance if the tenant has lived in the unit for more than a year. A tenant can also terminate a month-to-month tenancy with 30-days written notice. A week-to-week rental period requires ten-days notice.

A fixed-term tenancy automatically ends on the last day specified in the governing rental contract and cannot be altered unless the landlord or tenant has cause to terminate it, such as a breach of contract (meaning, the other party has failed to comply with the contact's terms).

Eviction Notice

If a tenant is five days late paying rent, the landlord is allowed to issue a 144-hour notice to pay or vacate. If a tenant is eight days late in paying rent, the landlord is allowed to issue a 72-hour notice to pay or vacate. If the rent is paid within the notice period, the tenant does not need to vacate.

A landlord can give a tenant 24-hour notice to vacate if the tenant has committed specified acts or acts considered "outrageous in the extreme." This may include threatening other tenants, intentionally damaging property, injuring someone, prostitution, or possession of a controlled substance. An act can be proven to be extremely outrageous even if it does not violate a criminal statute; however, no matter what the tenant has done, a landlord may not lock the tenant out or discontinue any essential services.

A landlord may evict perpetrators of physical violence related to domestic violence, sexual assault, or stalking against a household member who is a tenant, but cannot terminate the agreement of the other tenants in such cases. A landlord cannot terminate a rental agreement, evict a tenant, or treat a tenant differently

because they are a victim of domestic violence, sexual assault, or stalking.

Temporary Occupancy

A landlord may allow an individual to become a temporary occupant of the tenant's dwelling through a written agreement between the tenant, temporary occupant, and the landlord. The tenant can terminate the agreement without cause at any time, while the landlord can do so only for cause that is a violation of the temporary occupancy agreement. The landlord has the right to screen the temporary occupant for conduct or criminal records, but not for credit or income qualifications.

Repairs

The landlord must make repairs, without cost to the tenant, of items directly related to the unit's habitable condition, unless the tenant is the cause of the problem.

If repairs are needed because the dwelling is negligently or deliberately damaged, the landlord has the right to end the rental agreement (after proper notice). A landlord may also deliver a 30-day notice to permit the rental agreement to continue if the damage is repaired within 14 days.

Rights and Responsibilities of the Tenant

Although the landlord maintains legal title to the property, the tenant has use of the property and it is considered the tenant's home for purposes of privacy rights.

Duties of the tenant include: using the property only as a dwelling; paying the rent; keeping the property reasonably clean and maintained; and returning the property to the landlord in the same condition as it was rented, at the end of the rental term (not including ordinary wear and tear). It is also a tenant's responsibility to test smoke/fire and carbon monoxide detectors every six months, and to replace batteries as needed to keep them operational.

Repairs

Tenants have the right to cause the repair of some minor habitability defects of up to \$300 and to deduct the cost from the rent if the landlord doesn't make the repair within seven days of receiving written notice. The landlord can designate who can make the repair if it is reasonable and does not diminish the tenant's rights. A tenant may not have mold, radon, asbestos, or lead-based paint defects repaired.

A tenant may terminate tenancy with 30-days written notice if a landlord is not in compliance with the rental agreement or is not maintaining the unit in habitable condition. In a week-to-week tenancy, the rental agreement can terminate in as little as seven days if the breach is not remedied. In a month-to-month tenancy, the landlord has seven days to remedy a breach involving essential services and 30 days to remedy other issues. The time frame can be shortened to 48 hours if the absence of an essential service is an imminent, serious threat to the tenant's health, safety, or property.

Right of Entry

Tenants enjoy legal, contractual rights: the right to peaceful possession and the right to a "habitable" home. A landlord must provide at least 24-hour notice before entering property rented to a tenant, unless it is an emergency, or they are responding to requests for repairs without designated times or dates, or they are acting in accordance with the terms of the rental agreement.

Rights and Responsibilities: Condominium Conversion

If a rental is being converted into a condominium, notice must be provided to tenants 120 days before the conversion is completed. The notice must contain information regarding the tenant's rights as well as the anticipated acquisition cost and monthly expenses. Tenants must be given the first opportunity to purchase the unit they reside in, and at least 60 days to either accept or reject the opportunity.

During the 120-day period, construction work on a unit cannot occur without a tenant's permission. Construction on common areas can only take place between 8:00 a.m. and 7:00 p.m., and tenants must be allowed safe and ready access to the space they rent. A landlord cannot issue a no-cause termination notice within the 120-day time frame, and cannot show the unit to prospective buyers without the tenant's permission.

Rights of Tenants of Foreclosed Properties

Tenants are to be notified if the property they are living in is in foreclosure. The trustee must send notice to any individual who occupies the property and who is or might be a residential tenant. The notice must specify the tenant's rights and provide information regarding legal resources available at no cost to the tenant. If the purchaser wants to move in and use the property as a primary residence, the purchaser can give written notice and require the tenant to move after 90 days, even in cases in which there is a fixed lease with more than 90 days remaining. In other cases, the purchaser can have a tenant evicted after the fixed-term lease ends or 90 days after the notice for other tenancies. Once the tenant receives this notice, they can apply security deposits or pre-paid rent toward their current rent obligations.

The purchaser becomes the new landlord if they accept rent from the tenant, enter into a new rental agreement, or fail to give proper written notice that the tenant must vacate (30 days before the foreclosure sale).

Many of the notice periods will shorten on January 1, 2015, when current laws are scheduled to sunset.

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<u>Development</u>
971-222-2600 (Portland Field Office)

Oregon State Bar 800-452-8260

Community Alliance of Tenants Renters' Rights Hotline 503-288-0130

<u>Manufactured Communities Resource Center</u> 800-453-5511

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