



SENATE MAJORITY OFFICE

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Renters Have Stronger Protections for Getting Back Deposits Under Legislation Passed Today in Oregon Senate

SALEM, OR – Renting a home is expensive enough, and under legislation passed in the Oregon Senate today, prospective tenants have more protections for getting back a deposit they are charged before signing a rental agreement.

“People often have to pay a ‘hold’ deposit before they have even signed a lease in Oregon’s hot rental housing market,” said **Senator Deb Patterson (D – Salem)**, who cosponsored the measure in the Senate. “They deserve to get it back if something goes wrong with the property.”

According to current law, a landlord may charge a deposit after approving a rental application but before signing a rental agreement with a prospective tenant. The landlord must refund the deposit if the landlord fails to follow through with the terms of the agreement. Today’s legislation spells out additional situations when the deposit must be returned, or landlords must pay penalties.

Under House Bill 3521 the deposit must be refunded if the potential tenant finds serious problems that make the home not habitable. Those could be things like a leaky roof or window, inadequate heat, unsafe drinking water, accumulated trash, or nonworking locks.

“Tenants should not have to choose between signing a lease for an unsafe home or losing a significant amount of money,” said the bill’s chief sponsor, **Representative Annessa Hartman (D – Gladstone)**.

House Bill 3521 requires the landlord to return deposits within five business days of the applicant rejecting the property because of its defects or the landlord failing to follow through with the rental agreement. If the deposit is not returned in a timely manner, in most cases the landlord will owe the applicant an additional penalty equal to the amount of the deposit or a larger amount agreed to between the applicant and the landlord.

The measure passed in a vote of 20 to 8 today, after passing the Oregon House of Representatives in April. The bill now heads to Governor Tina Kotek for her signature.

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