Submitted to the Electorate of Lane County by Initiative Petition, to be voted on at the General Election, November 2, 1982.

### BALLOT TITLE

# 7 MOBILE HOME RENT STABILIZATION ORDINANCE

QUESTION—Shall the maximum rent for mobile home space be restricted to a base rent plus limited annual increases?

YES □

PURPOSE—This measure prohibits rent increases for mobile home spaces from its effective date until December 1, 1982. Beginning January 1, 1983, the maximum rent is limited to the rent charged on September 1, 1980, plus one increase per year restricted to certain operating cost increases plus a percentage of such costs not exceeding legal interest rates. No annual increase shall exceed annual consumer price index increases. Notices to tenants are required. Provides remedies for violations.

## THE PEOPLE OF LANE COUNTY ORDAIN AS FOLLOWS:

#### SECTION 1

This ordinance shall be known as the Mobile Home Rent Stabilization Ordinance.

#### SECTION 2

- (1) The definitions of ORS 91.705 apply to this ordinance.
- (2) As used in this ordinance, "consumer price index" means the consumer price index for the region of the United States of which Lane County is a part published periodically by the Bureau of Labor Statistics, United States Department of Labor.
- (3) As used in this ordinance, "rent a space for a mobile home" means a transaction in which the owner of a mobile home secures the right to locate the home on the property of another for use as a residence in return for value, and in which the owner of the mobile home retains no interest in the real property at the end of the transaction.

#### SECTION 3

This ordinance shall not apply to the arrangements stated in ORS 91.710.

#### SECTION 4

Until December 1, 1982, the landlord who rents a space for a mobile home may not charge more than the monthly rent in effect on the effective date of this ordinance.

#### SECTION 5

- (1) Beginning on January 1, 1983, no landlord who rents space for a mobile home shall request, demand, or receive more than the maximum rent allowed by this section. The maximum rent shall be the "base rent" plus the "allowable adjustment," if any.
- (2) "Base Rent." The base rent is the monthly rent which was charged on September 1, 1980. If the space was vacant on September 1, 1980, the base rent shall be the monthly rent charged when the space first became occupied after that date.
- (3) "Allowable adjustment." The allowable adjustment is the space for a mobile home's proportionate share of reasonably necessary increases in operational costs actually incurred since September 1, 1980, plus a percentage of those increases in costs actually incurred that is not greater than the legal rate of interest as provided in ORS 82.010(1). The types of costs which may be considered include:

- (a) Real property taxes;
- (b) Utilities paid by landlord;
- (c) Maintenance and operating expenses including insurance, reasonably necessary repairs, replacement, maintenance painting;
- (d) Fees in connection with the operation of the property for such services as pets, extra persons, garbage, water, janitorial, parking; and
- (e) Capital improvements amortized over the useful life of each improvement.

However the following costs may not be considered:

- (a) Mortgage debt financing costs;
- (b) Increases in interest payments;
- (c) Legal fees and other costs incurred in resolving disputes with tenants;
- (d) Lease or rental payments except in fixed term leases negotiated at arm's length by parties with totally distinct and separate interests executed before September 1, 1982.
- (4) The percentage increase in the maximum rent for any 12-month period shall not exceed the percentage increase in the consumer price index for that same 12-month period.
- (5) If the allowable adjustment for a space for a mobile home is limited because of the consumer price index ceiling described in subsection (4) of this section, the amount by which the adjustment exceeds the ceiling may be carried over to the next 12-month period subject to the consumer price index ceiling for that period.
- (6) This section shall not operate to reduce the rent due under any fixed term lease executed before September 1, 1982. When the term of any such lease expires, however, the base rent shall be fixed under this section.
- (7) This ordinance shall not be construed to permit a landlord who rents space for a mobile home to increase rent where it is otherwise impermissible under a rental agreement between landlord and tenant or under ORS 91.700-900, or any federal or state law or county or municipal ordinance designed to prohibit discrimination based on race, sex, religion, age, marital status, national origin, or mental or physical handicap.

#### SECTION 6

- (1) On or before December 1, 1982, the landlord who rents space for a mobile home shall serve all existing tenants with written notice stating the base rent, any rent increase allowed by Section 5 of this ordinance and the amount of rent due January 1, 1983. The notice shall also specify the costs which have risen and their amounts, and that, upon the tenant's written request, the landlord will furnish documentary evidence of increased costs within 10 days of their request. For all tenancies created after December 1, 1982, the landlord who rents space for a mobile home shall serve the tenant with the notice required by this subsection at or before the time of the occupancy of the space by the tenant begins.
- (2) After January 1, 1983, a written notice of rent increase allowable by Section 5 of this ordinance may be served at any time, except that not more than one rent increase per calendar year may be imposed upon a renter of a space for a mobile home. The rent increase shall become effective not sooner than 30 days after service of the notice.
- (3) A written notice of rent increase which does not state the information required by this Section shall be void.
- (4) If a landlord fails to provide a tenant with documentary evidence upon request as provided under this section, the written notice of rent increase shall be void.

#### SECTION 7

No landlord who rents space for a mobile home shall reduce or eliminate any service to a space unless a proportionate share

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of the cost savings because of the reduction or elimination are passed on to the tenant as a decrease in rent. At least 30 days before the service is reduced or eliminated, the landlord shall give written notice to the tenant stating the services to be reduced or eliminated, and the resulting decrease in rent.

#### SECTION 8

- (1) If notice required by Section 6 (1) of this ordinance has not yet been served, beginning January 1, 1983, the tenant may withhold the rent until the notice is served.
- (2) If any landlord who rents space for a mobile home requests, demands, or accepts any payment in excess of the amount allowed by Section 4 or 5 of this ordinance, the tenant shall recover twice the actual damages or two months' rent, whichever is greater. In an action under this subsection, a prevailing tenant shall recover costs, disbursements, and reasonable attorney fees.
- (3) A landlord who rents space for a mobile home may not bring or threaten to bring an action for possession or an action for rent if the amount of rent claimed exceeds the rent allowed by Section 4 or 5 of this ordinance. If a landlord who rents space for a mobile home acts in violation of this subsection, a tenant has a defense in any action for possession or damages prohibited by this subsection.
- (4) The county may bring an action for injunctive relief to prevent or remedy any violation of Section 4 or 5 of this ordinance. If it prevails, the county shall recover reasonable attorney fees from the offending landlord who rents space for a mobile home.
- (5) In any action where the validity of a proposed or actual rent increase under this ordinance is disputed, the landlord who rents space for a mobile home shall have the burden of proving all facts required to sustain the rent increase.

#### SECTION 9

- (1) A landlord who rents space for a mobile home may not retaliate by increasing rent, decreasing services, or bringing or threatening to bring an action for possession after the tenant has exercised any right under this ordinance.
- (2) If the landlord who rents space for a mobile home acts in violation of subsection (1) of this section the tenant has a defense in any retaliatory action against him or her. In an action by or against the tenant, evidence of exercise of a right under this ordinance within six months of the alleged act or retaliation creates a disputable presumption that the landlord's act was in retaliation.

#### SECTION 10

If any provision of this ordinance or application thereof is held invalid, such invalidity shall not affect any other provision or application of this ordinance which can be given effect without the invalid provision or application, and to this end provisions of this ordinance are declared to be severable.

## **EXPLANATION**

This ballot measure would establish a Lane County ordinance that limits rent that can be charged for a mobile home space. Starting January 1, 1983, the allowable rent charged will be the base rent of September 1, 1980 plus allowable adjustments. The maximum rent can be increased only once a year.

The new rent will be the base rent plus certain allowable adjustments, computed on certain expense items, plus a percentage of those expense items not to exceed the legal rate of interest. Subject to the limitations in ORS 725.031, or any other provision of law, the rate of interest for any transaction shall be as agreed between the parties to the transaction. The total increase will not exceed the Consumer Price Index (CPI). Some of the costs that may be included are real property taxes, utilities, maintenance and operating expenses, fees and amortized capital improvements. The following costs cannot be considered: mortgage debt financing, increases in interest payments, some legal fees, and some lease or rental payments.

Landlords must notify tenants 30 days in advance of any rent increase. This notice must specify the costs which have risen and their amounts. Tenants can require written substantiation of these costs within 10 days of the rent increase notice.

As a landlord reduces or eliminates any services, the proportionate share of the cost savings because of the reduction must be passed on to the tenant as a decrease in rent.

This ordinance prohibits a landlord to increase rental rates based solely on inflationary factors, or appreciation of property values.

Committee Members: Vereta E. Peake Myrle D. Ball Lyle Jacobson Roy Strom Michael H. Ponichtera

Appointed by:
Chief Petitioners
Chief Petitioners
Lane County Director of Elections
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(This explanatory space has been provided pursuant to ORS 251.285.)