Oregon Rental Housing Association, Inc.
An Oregon Rental Housing Association Publication
Oregon Rental Housing News



May 2014

This Section 8 bill becomes law on July 1st ~ Don't be caught off guard!

Housing Choice Landlord Guarantee Program – Draft Administrative Rules

By **Jim Straub**, ORHA Legislative Director

The Housing Choice Act of 2013, otherwise known as the "Section 8 Bill," will go into effect on July 1, 2014. This law includes federal rent subsidies and other local, state, and federal assistance under the state's source of income protections. No landlord will be forced to accept Section 8 under this law, but no landlord will be able to refuse to rent to someone solely because their income is a Section 8 voucher.

An informal committee of stakeholders, of which I have been a part, has been hard at work providing our input for the administrative rules which will govern the Housing Choice Landlord Guarantee Program. This program will reimburse landlords who participate in the Section 8 program and have qualified claims for up to $5,000 per claim for damages caused by their Section 8 tenants. Although the administrative rules are still in draft, I don't expect there to be significant changes to the rules at this point. As your ORHA Legislative Director, I will provide written comment on these draft rules to continue to protect the interests of landlords in Oregon. Stay tuned for more information about the final version of the administrative program rules and for ORHA training opportunities as we near the date the law goes into effect.

I have included the most pertinent portions of the draft program administrative rules below. The full version of the program administrative rules may be found at: http://www.oregon.gov/ohcs/pdfs/public_notices/813-360-2-3-Administrative-Rule.pdf

Housing Choice Landlord Guarantee Program:

813-360-0010 Definitions

(5) "Landlord" means an owner of a dwelling unit that has entered into an agreement with a local housing authority to receive tenant-based assistance payments under the Housing Choice Voucher Program and that has entered into a rental or lease agreement with a tenant determined to be eligible to receive assistance under the Housing Choice Voucher Program. "Landlord" includes a person who is authorized by the owner, lessor or sublessor to manage the premises or to enter into a housing agreement.

JIM'S NOTE: The last sentence of the definition was added upon ORHA's request to ensure that property managers and others who manage a property on another's behalf may take action within the guarantee program on behalf of the owner.

813-360-0020 Program Administration

(1) The department, in its sole discretion, may choose to contract with one or more public or private provider(s) for the administration of the Housing Choice Landlord Guarantee Program. The department is not subject to the provisions of ORS chapter 279A or 279B in procuring or effectuating such a contract.

(2) If the department chooses to contract for the administration of the program:

(c) The department will provide stakeholders, including the Housing Choice Advisory Committee…with the opportunity to provide input regarding the contract award process.

JIM'S NOTE: I have been strongly recommended by the Oregon Speaker of the House to sit on the Housing Choice Advisory Committee, so ORHA should have a voice in the contract award process. Appointments to that committee will take place later, and I will keep you updated.

813-360-0030 Landlord Eligibility

(1) In order to be eligible for program assistance, a landlord must first obtain a judgment against a tenant from a court in the county in which the tenant or property is located.

Continued on page 2.

Housing Choice Landlord Guarantee Program, *continued from page 1.*

(a) The judgment must be from a circuit court, the small claims department of a circuit court, or a justice court.

(b) The time frame for appeal of the judgment must have expired without appeal or otherwise be final and not subject to further judicial review.

(2) Program assistance is limited to reimbursement for those amounts covered in a final judgment that are related to property damage, unpaid rent or other damages satisfactorily described and documented in a claim to the department from a landlord and:

(a) Incurred after July 1, 2014;

(b) Caused as a result of the tenant's occupancy pursuant to a rental agreement under the Housing Choice Voucher Program in effect at the time the damage was incurred;

(c) That exceed normal wear and tear; and

(d) That are in excess of $500, but not more than $5,000 per tenancy.

(A) Program assistance for damages in amounts less than $500 may be provided by the department, when a partial amount still owes on a judgment in excess of $500. For example, if a landlord has received a payment of $400 on a $700 judgment for qualifying damages, the landlord may seek reimbursement for the remaining $300 owing to it under the judgment.

(B) Program assistance for damages up to $5,000 may be provided by the department on a judgment that is in excess of $5,000. For example, if a landlord has a judgment for $7,000 of qualifying damages, the landlord may seek reimbursement for up to $5,000 of the qualifying damages.

(3) Qualifying damages included within the meaning of property damage, unpaid rent or other damages may include:

(a) Attorney fees, court costs, and interest;

(b) Loss of rental income during the time reasonably required for repairs to with respect to qualifying property damage;

(c) Lease-break fees;

(d) Other costs related to lease violations by a tenant.

(4) All program assistance received by a landlord must be used by the landlord only for payment of qualifying, uncompensated damages for which it filed the particular claim for program assistance.

(5) A landlord may not seek, accept or retain program assistance from the department for amounts paid to the landlord for qualifying damages by the tenant or by a third party.

(6) If, after submitting a claim for program assistance to the department, a landlord receives payment for any claimed damages from a tenant or a third party, the landlord must promptly notify the department within ten (10) days of such payment.

(7) A landlord must provide restitution to the department for overpaid program assistance within forty-five (45) days of notice.

(8) The department may maintain a record of program assistance provided to a landlord to assist it in determining if there has been an overpayment of program assistance to that landlord.

(9) The following examples are illustrative of when restitution may or may not be owed by a landlord to the department:

(a) Example 1: A qualifying judgment is $6,000. The landlord receives a $5,000 reimbursement from the fund, and a $1,000 payment from the tenant. The landlord reports the receipt of $1,000. There has been no overpayment.

(b) Example 2: A qualifying judgment is for $6,000. The landlord receives a $5,000 reimbursement from the fund, and a $2,000 payment from the tenant. The landlord reports the $2,000. There has been a $1,000 overpayment to the landlord, which must be reimbursed to the department by the landlord.

(10) A landlord must submit a claim for program assistance to the department within one year from the date of the expiration of the right to appeal a qualifying judgment against a tenant or the date that the judgment otherwise becomes final and not further appealable.

(11) A landlord must file a satisfaction of judgment in the amount of any program assistance received from the department in the court from which the judgment against the tenant was obtained. A copy of this filed satisfaction must be delivered to the department within 30 days of the landlord's receipt of the program assistance.

JIM'S NOTE: Of note here is the specification that reimbursement is available for those amounts covered in a final judgment that are related to property damage, unpaid rent or other damages satisfactorily described and documented in a claim to the department from a landlord and incurred after July 1, 2014. This means that although the damages must be incurred after the law goes into effect on July 1st, the program will provide coverage for eligible damages incurred after July 1st even if the Section 8 contract began prior to July 1st. ORHA lobbied hard for this provision, which is a change from the original suggestion that the program would only provide coverage for damages for contracts that began after the law went into effect on July 1st. That would have significantly reduced the amount of tenancies for which landlords had potential damage coverage under the program.

Because landlords will have to prove that any claimed damage occurred after July 1, 2014, landlords who anticipate the possibility of filing a program claim should inspect their properties and document with photographs at the end of June, 2014. In this manner, landlords will document any damage that predated July 1st and be able to demonstrate that the damage for which they are making a claim occurred after July 1st (after the June 2014 inspection was completed).

813-360-0040 Claim for Assistance

(1) The department normally will provide the required form or information for a claim for program assistance on its website. A claim must include a signed declaration by the landlord as to the truth of matters asserted, including but not necessarily limited to:

(a) An attestation regarding how the damages submitted for reimbursement meet the criteria set out in OAR 813-360-0030 (Landlord Eligibility);

(b) The tenant's last known address and the address used to accomplish service of the court pleadings on the tenant, if different;

(c) The landlord's current mailing or contact address;

(d) The specific address of the property where the tenant resided at the time the damage was incurred;

(e) A list of any payments the landlord has received towards the judgment, either by the tenant or a third party.

(2) The claim must be accompanied by:

(a) A copy of the complaint;

Continued on page 3.

Housing Choice Landlord Guarantee Program, *continued from page 2.*

(b) A court-certified copy of the final judgment;

(c) A copy of the final security deposit accounting containing an itemization of damages;

(d) A copy of the pre- and post-tenancy inspection reports, if any;

(e) A copy of Part A of the Housing Choice Voucher Program agreement between the landlord, the tenant, and the housing authority, for the property where the damage was incurred; and

(f) Such other information as the department may require.

813-360-0050 Awards of Assistance

(1) Prior to approving a claim for program assistance, the department will:

(a) Determine if the claim is complete and satisfies the criteria necessary to be a qualifying claim…

(b) Verify with the public housing authority that the tenant was a voucher holder at the time the tenancy was terminated.

(2) The department will endeavor to review claims for program assistance and make awards of program assistance for qualifying applications within 45 days of its receipt of all required information. The department may choose to require the submittal of additional or clarifying information.

813-360-0060 Tenant Repayment Plans

(1) When a payment of program assistance is made to a landlord, the department will require the responsible tenant to repay the full or a partial amount of any program assistance paid to the landlord and shall offer the responsible tenant a reasonable repayment agreement that provides for repayment by the tenant to the department of the full or a partial amount of the program assistance paid to the landlord.

(2) Repayment plans from the department may take into account factors the department deems relevant as to capacity for repayment, including but not limited to the tenant's family size, monthly income, debt obligations, and the family's ability to meet the basic needs of the household.

JIM'S NOTE: ORHA has previously requested that "debt obligations" be clarified to include amounts a tenant owes to the landlord in addition to amounts paid by the guarantee fund. In other words, we believe tenant's ability to pay should include the obligation they have to repay the landlord in addition to the amount already paid by the guarantee fund.

(3) After the department pays a claim for program assistance to a landlord, the department will serve a notice upon the responsible tenant that informs the tenant of the following:

(c) That if the tenant does not enter into a repayment agreement or make good faith efforts to comply with the terms of a repayment agreement, or otherwise fails to repay the full or an agreed-upon partial amount of assistance paid to the landlord on the tenant's behalf, the department may seek to collect any amount remaining unpaid by the tenant;

(d) That the department will make available upon request by local housing authorities and landlords information regarding a tenant's compliance with the provisions of this section, including records of repayments made by the tenant, where applicable;

(e) That the tenant may seek a waiver of repayment requirements under this section for good cause shown and may contest the department's determination that the tenant has an obligation to repay any amounts of assistance paid to a landlord on the tenant's behalf,

(4) The department will waive program assistance repayment requirements upon its determination of good cause for such waiver. The department may waive other requirements of the Act and this division upon its determination of good cause for such waiver. Factors that the department may consider if there is good cause for waiver include, but are not limited to the following:

(a) The landlord has already been paid, either by the tenant or a third party;

(b) The damages resulting in the judgment were the result of domestic violence, sexual assault, stalking, or other crime of which the tenant or someone in the tenant's household was the victim;

(c) The tenant and family have insufficient income, including all financial assistance and subsidies, to meet the basic minimum needs of the household;

(d) Other extenuating circumstances;

(e) The status of the fund;

JIM'S NOTE: I am unclear about exactly what "the status of the fund" means, who requested that it be added, or the legal implications of including it. I will request that this provision be made more clear and transparent.

(5) Amounts repaid by tenants under this section will be deposited by the department into the fund.

(6) The department may pursue any rights, remedies or processes provided at law or otherwise for the collection of unpaid amounts due from a tenant for program assistance paid to a landlord on the tenant's behalf.

(7) The department will…provide an opportunity for the tenant to contest the following:

(a) The department's determination that the tenant has an obligation to repay the department,

(b) That the tenant has failed to repay amounts due under a repayment agreement,

(c) That the tenant has not made or is not making a good faith effort to comply with the repayment agreement;

(d) That the tenant has not paid to the department the full or a partial amount of the assistance paid to a landlord on the tenant's behalf; or

(e) That the department properly failed to waive a repayment obligation.

(9) The department will note whether or not a tenant is in compliance with applicable repayment obligations and make that information available to local housing authorities and landlords at no cost. A tenant will be considered in compliance if the tenant has been granted a relevant waiver, or the department determines that the tenant has made or is making good faith efforts at repayment. The department will note if the full amount of program assistance has been repaid.

JIM'S NOTE: During our negotiations, there has been discussion about whether the program will simply tell landlords that a tenant is in compliance or if the program will specifically advise when a waiver has been granted or the program has been repaid. ORHA has always maintained that landlords have the right to know whether a tenant has repaid the program in full or if a waiver has been granted, meaning the tenant did not have to make repayment. I am uncertain whether the last phrase, that "the department will note if the full amount of program assistance has been

Continued on page 8.

Medical Marijuana Law and Landlords

By **Violet Wilson**, ORHA Vice President

When talking to landlords regarding laws that pertain to property management, generally the topics are fairly clear and unambiguous. Unfortunately, when dealing with the Oregon Medical Marijuana Law things are not so clear and can change quickly both in fact and interpretation. Different anecdotal stories and conflicting data further complicate the decision making for landlords.

The Oregon Rental Housing Association (ORHA) does not have an official position on whether landlords should or should not provide accommodation for medical marijuana users and growers. Like the general populace of Oregon, our members are split on how this should be handled. So ORHA has taken the role of providing members critical information so they may make their own reasoned decisions.

ORHA PROVIDES FORMS that can assist landlords in dealing with marijuana issues. These are available in hardcopy through the local or state associations or online at the ORHA website.

a. Application (form 1) and rental agreements (forms 2A and 2B have the following language: *"No marijuana, medical or otherwise, may be grown, stored or consumed on the premises without the prior written consent of the Owner/Agent."*
b. Medical Marijuana (form 10) includes language on change of structure.
c. Reasonable Accommodation Request (form 53)
d. Smoke Free Addendum (form 27)
e. 24 Hour Notice for Entry (form 18)
f. Addendum (form 32)

In addition, ORHA offers a three hour presentation on Medical Marijuana. Contact Maren at the ORHA office to get costs and schedules.

The OREGON MEDICAL MARIJUANA ACT (OMMA) was adopted by voters in 1998. It was amended in subsequent years by the legislature. It allows medical use of marijuana within defined limits and establishes a permit system. There are four keys parts of the act:

1. Since some patients and doctors have found marijuana to be an effective treatment for suffering caused by debilitating medical conditions, marijuana should be treated like other medicines;
2. Oregonians suffering from debilitating medical conditions should be allowed to use ***small amounts*** of marijuana without fear of civil or criminal penalties when their doctors advise that such use may provide a medical benefit to them and when other ***reasonable restrictions*** are met regarding that use;
3. OMMA allows Oregonians with debilitating medical conditions who may benefit from the medical use of marijuana to be able to discuss freely with their doctors the possible risks and benefits of medical marijuana use and to have the ***benefit of their doctor's professional advice***;
4. OMMA is intended to make only those changes to existing Oregon laws that are necessary to protect patients and their doctors from criminal and civil penalties, and are ***not intended to change current civil and criminal laws governing the use of marijuana for non-medical purposes***.

U.S. CONSTITUTION, Article VI, Clause 2 is better known as the Supremacy Clause. It establishes the U.S. Constitution, U.S. Treaties, and laws made pursuant to the U.S. Constitution, shall be "the supreme law of the land." It mandates that all state judges must ***follow federal law when a conflict arises between federal law and either the state constitution or state law of any state***.

- The Federal Controlled Substance Act (CSA) classifies marijuana as a Schedule 1 drug, meaning that Congress recognizes no acceptable medical use for it, and its possession is generally prohibited.
- A federal court in Michigan recently recognized, "It is indisputable that state medical marihuana laws do not, and cannot supersede federal laws that criminalize the possession of marihuana." United States v. Hicks, United States District Court, E.D. of Michigan, 2010. (Note: Marijuana is spelled with an "h" in Michigan.)
- Federal prosecutors do not recognize state medical marijuana laws because they are in conflict with federal prohibitions on drug use
- Despite seeming reluctance of Attorney General Eric Holder, many state and local attorney generals are moving forward to prosecute under the federal prohibitions.

DISPENSARIES: Two measures, in 2004 and 2010, to allow medical marijuana dispensaries both failed. During this time, dispensaries did operate as "compassion clubs" that offered marijuana in exchange for member dues and donations. Some clubs' donations operated more like set payments which violated the law.

In 2013 the Oregon House passed HB3460 which provides for medical marijuana dispensaries to aid patients who were having difficulty filling their prescriptions through legal means. This bill has a number of deficiencies:

- Only six staff state-wide to cover both processing of paperwork and enforcement.
- Dispensers are not licensed or regulated as compared to pharmacies or alcohol outlets.
- Testers are not licensed or regulated.
- Product types, marketing, and labeling are generally unregulated.
- Zoning issues.
- Indoor air quality issues.
- Local Control.

The latter has become a hot button issue for counties and cities. To clarify local control, the Oregon Legislature passed SB1531C. It allows local governments to have limitations on time, place, and manner of dispensaries or until May 1, 2015, they may also impose moratoriums. The Legislature was advised by their attorneys that the original dispensary bill preempted local control. But they were also advised that federal law preempts state law.

Continued on page 5.

Medical Marijuana Law and Landlords, *continued from page 4.*

STATUS OF DISPENSARIES: So where does that leave landlords? In a quandary at best. If you decide to rent to a dispensary, be sure to check county and city records to determine if they have issued moratoriums or other business limits. So far, more than one hundred cities have issued moratoriums. Also be aware that the Oregon Legislature meets again in February 2015 and there is likely to be a number of bills on Marijuana Law and local control issues. Before the May 1, 2015 moratorium ends, there may be additional changes that need to be implemented. So stay tuned and remember that despite all the local and state approvals, there is a federal law that still says it is illegal to distribute any marijuana.

As of April 18, 2014, 58 dispensary applications have been approved and may open for business as soon as they receive their registration certificates. A number of applications were failed due to being incomplete, missing deadlines, or being located within 1000 feet of a school or other licensed dispensary. The approved dispensary locations are still not without problems. One dispensary, sited across from a church and programs that have children participating, has "upset" parents and neighbors.

HEMP FARMING: A non-intoxicating relative of the marijuana, hemp is grown for its sturdy fiber and seeds. The passage of the federal Farm Bill included an industrial hemp provision. It allows colleges, universities, and state agriculture programs to grown hemp for research and pilot projects. ***It does not protect individual farmers*** who grow the crop from criminal citations for illegal grows. So once again, landlords need to be cautious when leasing out farm land.

REASONABLE MODIFICATIONS AND ACCOMMODATIONS: Under Fair Housing Law, landlords must consider requests from the disabled for policy changes that would allow the individual to have full use of the rental unit. One request could be for those who have medical marijuana cards and want to take their medicine in your housing.

The Bureau of Labor and Industries (BOLI) has jurisdiction in Oregon over complaints on fair housing issues. In April 2010, the Oregon Supreme Court ruled on an employment case regarding an employee who was terminated for using medical marijuana, even though he had a legal state medical marijuana card. The Court ruled that the employer could terminate based on federal law. In November 2010, BOLI released a statement indicating they would no longer accept medical marijuana cases. The decision was expanded to housing providers. ***Therefore, no employer or housing provider has to allow medical marijuana use at their work or in their rental housing.***

If you choose to accommodate the request, you may require:

1. Reasonable Accommodation Request (form 53) and get verification of their need. You may not ask about the disability but can verify they qualify as disabled under the law.
2. That they not smoke in the unit or you may designate a place where they may smoke. Complete the Smoke Free Addendum (form 27). Be aware the law requires that individuals not smoke where they are visible. The latter is the tenant's responsibility to determine within the landlord's limits.
3. Completion of Medical Marijuana Addendum (form 10)

Although the Fair Housing Council asks that we accommodate those taking medical marijuana, ***growers are not covered under the law*** and you may refuse grow sites at your units. At this time and in most circumstances, the Fair Housing Council does not consider medical marijuana a fair housing issue in Oregon. However, the BOLI case could be challenged or overturned in the future.

If the tenant has not identified and verified that he is a medical marijuana user, you may assume that he is engaging in illegal drug use if you find evidence of that use.

WASHINGTON STATE LEGAL MARIJUANA went into effect on December 1, 21013. It is still illegal to transport marijuana across state lines even if you have an OMMA card. And it may not be used in public.

COMPLIANCE MAY INVOLVE LANDLORDS. California recently passed legislation limiting dispensaries. District Attorneys sent out notices to real estate agents and property owners that they needed to help in new regulation compliance. The DAs filed hundreds of cases against business and property owners. In Los Angeles, landlords are being targeted by city attorneys in the medical marijuana battle. In one example, a criminal complaint was brought against a landlord who was renting to an illegal marijuana dispensary. The landlord claimed he believed it to be a legal operation but he (and his wife) were charged. In a plea bargain, they dropped the wife's case, he pleaded no contest, and paid a fine of $2000. After paying his fines and legal fees, he spent over $5000. And he is now on probation.

FEDERAL MEMOS: Despite memos, from U.S. Attorney General Eric Holder and Deputy Attorney General James Cole, emphasizing that the Federal government will not act against states that have "strong and effective regulatory and enforcement systems" surrounding their marijuana laws, banks continue to be wary. The Departments of Justice and Treasury have sent memos to banks stating that the banks could consider offering their services to dispensaries and grow operations. But memos do not have force of law and may be changed at a moment's notice. As a result many banks fearful of losing their FDIC insurance or being charged with racketeering, are not complying. As stated by Colorado Bankers Association president, "An act of Congress is the only way to solve this problem." He continues to advise banks to refuse cannabis cash out of fear of money laundering charges.

This results in dispensaries having large of amounts of cash and being a target for robbery and burglary, maintaining armed guards and other security measures.

COLORADO LEGAL MARIJUANA LAW went into effect on January 1, 2014. Local communities are allowed to opt out and the result has been a concentration of dispensaries in a few cities. For example, of the 520 medical marijuana centers in Colorado, 211 are located in Denver. Of the 148 recreational marijuana stores, 101(68.2%) are located in Denver. While there are indications that the overall crime rate may have decreased, an NBC News analysis of 325 marijuana companies studied, found there were 317 burglaries and 7 robberies in the past two years. They predicted that on average, every dispensary could expect a "crowbar or gun" at least once every two years. This has included some violent deaths: either the medical care providers or those attempting the robberies were shot.

Continued on page 6.

Medical Marijuana Law and Landlords, *continued from page 5.*

MEDIBLES are edible marijuana-laced products. Although most famous are the brownies and cookies, medibles are found in almost every food form, from marinara sauce to jerky, sodas, and ice cream. There are many candy look-a-likes, such as Gummi Bears, caramel corn, and cotton candy. Overdosing is most likely from edibles. The food ingredients vary and affect dosage levels. The active chemicals in marijuana are unstable when cooked. Stomach absorption is a slower process and getting "high" takes longer. As a result, individuals may eat more of the product because they don't feel anything at first. While death is highly unlikely from marijuana, overdoses may result in nausea, vomiting, profuse sweating, and extreme anxiety attacks. There have been instances of psychosis under which individuals may act irrationally and harm themselves or others. Most concerning is accidental ingestion by children or animals.

E-CIGARETTES are becoming popular as individuals try to quit smoking. They are a compact, portable, microprocessor-controlled vaporizer. They may be disposable or re-useable versions with interchangeable cartridges. And besides nicotine, the cartridges may include extracted THC products with levels as high as 90%. There is no odor or smoke emitted.

BUTANE HONEY OIL (BHO) EXPLOSIONS: Concentrated hash oil is created using compressed butane to extract the THC from marijuana. Flammable materials are used and there is a high risk of explosions and fires. The production of BHO is increasing. There have already been seven explosions in Colorado and, closer to home, Forest Grove has had a number of explosions that resulted in major damage to property and burn injuries to occupants.

STEALING WATER/ELECTRICITY: Marijuana production takes large qualities of water and electricity. Theft of these utilities is occurring on a huge scale. Meters may be bypassed or connected to neighbors' homes or facilities. ORHA rental agreements state that tenants may not make any property changes without prior permission of landlords.

FEDERAL FORFEITURE: ***All facilitating property may be subject to federal forfeiture.*** So if you rent to a grow operation or dispensary engaged in illegal activity or otherwise not in compliance with the laws, you could lose your property and any profits associated with trafficking. The feds may also obtain money judgments that are not lost during bankruptcies. That debt could last a lifetime, including going after future assets gained.

EFFECTS ON PROPERTY VALUES: Marijuana grows can result in a prevalent smell. Neighbors have complained about the smell, frequent foot traffic, parking issues, and smoke coming through common air ducts in apartments or attached units. There may be problems selling your units if there is a grow site or dispensary nearby.

PROPERTY DAMAGE had included ***mold*** from the high moisture content of a grow or closing the rental unit with heavy drapery to prevent others from seeing what the tenants are doing, ***water leakage and overuse***, unsafe ***electrical rewiring***, ***holes*** in siding or roof for ventilation units, and general clean up. Physical damage due to break-ins, i.e. broken doors and windows. Even if the police do damage during enforcement raids, the landlords is responsible to fix the damage. And usually, insurance companies will not cover this because it is due to illegal activity.

INSPECTIONS should be done regularly, at least once every six months. You may do them more frequently. Be sure to give proper notice to tenants (see 24 hour entry form above.) If you have a known marijuana grow, you should inspect for number of plants and processing equipment. A Butane Honey Oil production usually involves a large vacuum oven, butane products, and large amounts of the raw marijuana. Other things to look for include: plant remains, distinctive marijuana smell, and heavy use of smell masking products. Be sure to check attic spaces and garages. There is a current trend to ship marijuana product and cash by package shippers (FEDEX/UPS/USPS) so look for large numbers of shipping boxes and plastic bags.

PATIENT and GROWER LIMITS: A patient may possess under the OMMA: 6 marijuana plants, 18 seedlings, and 24 ounces of usable marijuana. A designated grower may produce enough medical marijuana for up to four patients. So a grow site could have 24 plants, 72 seedlings, and 6 pounds of marijuana. When the law was enacted, the typical plant produced, at most, a pound of marijuana. But with today's harvest of "giant" plants that could be over six feet tall, 24 mature plants could produce nearly 300 pounds of product.

MEDICAL MARIJUANA CARD HOLDERS: The typical Medical Marijuana User is not the elderly glaucoma sufferer or the HIV/Cancer victim as many would expect. The statistics are similar across state surveys. The most likely user of Medical Marijuana is around thirty years old with no history of chronic health problems but does have a history of alcohol and drug use. Depending on the state, only 3% to 10% of card holders are cancer, HIV/AIDS, or glaucoma patients. Most are registered for headaches and chronic pain. These maladies are more difficult to ascertain by current medical methods.

CRIMINAL ACTIVITY: Oregon Law Enforcement has tied OMMA to criminal activity. The program is used as a cover for illegal grows and abuse of drugs. During 2011, 74% of the total number of drug seizures were related to marijuana and 65% of those were related to medical marijuana. It is believed that the number is likely higher due to information not always being available.

Based on data from other countries, legalization or decriminalization of drug use has not been shown to be a deterrent to continuing illegal activity. Mexican cartels have large scale outdoor cultivation on Oregon state and national forest land and Asian gangs (and other groups) continue to run multi-sited indoor grows. It is not unusual for many homes on a block to be rented and fully converted to grow operations.

THE FUTURE: In 2013, across the United States, 122 bills dealing with marijuana were defeated and 17 bills passed. For 2014, 173 pro-drug bills have already been presented. In 2012, the pro-marijuana funding totals were nearly $13 million dollars while anti-groups raised less than $1 million. But the anti-marijuana groups are passionate about their stand and state they will continue to oppose legalization and leniency of marijuana use while recognizing there are true medicinal qualities to marijuana and the need for further research. Some states, such as Montana, have already seen changes in laws to limit use under the medical marijuana program and local county and cities governments in other states have pushed back by limiting or opting out in their communities.

ORHA will continue to monitor law changes and inform our members as these come through. It is important that landlords stay aware of changes because what may be suitable today, may not be tomorrow.

OREGON RENTAL HOUSING ASSOCIATION PRESENTS

EDUCATION IN PROPERTY MANAGEMENT

NOW AVAILABLE

WORKSHOPS (3-4 hour)

- *Landlord/Tenant Law*
- *LARRC*
- *Evictions*
- *Fair Housing*
- *Conflict Management*
- *Property Management*
- *Landlording 101*
- *Landlording 103*
- *Landlording 301*
- *Tenant Selection*
- *Maintenance*

SEMINARS (1 hour)

- *Tenant Screening Tips*
- *Temporary Residents*
- *Security Deposits*
- *Abandoned Property*
- *Medical Marijuana*
- *Radon*

Also, courses by request tailored to local's needs

ORHA offers workshops and seminars to our member locals to improve skills in managing property. ORHA is a certified provider with the state of Oregon and these courses qualify as hours required for licensed certification. Presenters have extensive experience in the property management field.

For more information contact:
Maren Winters, ORHA State Office
1462 Commercial Street NE
Salem, OR 97301
Ph: (503) 364-5468
Fax: (503) 585-8119
Email: maren@oregonrentalohousing.com

Contact Terry at 866-364-5468 for customized classes to fit your needs.
We have what you are looking for – just call today!

Legislative Planning Ideas Wanted

By **Michael Steffen**, ORHA President

Next ORHA Board Meeting
May 17, 2014
Eugene

As mentioned last month, planning is underway for the next round of landlord-tenant coalition negotiations slated to begin this summer. To assist this process, it is important that we provide our legislative director, Jim Straub, with suggestions for changes in law that we would like to see implemented during the next legislative session. It is critical that we begin our review at the next board meeting, so please provide your delegate(s) with your preferences for discussion at the meeting on May 17th or email the information to Jim or Maren in advance.

In other news:

- Draft program administration rules for The Housing Choice Act of 2013, commonly known as the "Section 8 Bill" are currently available. Jim Straub outlines the most pertinent of these rules in his article contained in this issue.
- Violet Wilson, ORHA Vice President, attended an annual Marijuana summit in mid-April on behalf of ORHA as part of our commitment to monitor changes in marijuana laws and their impact on Oregon and other states. Her report on the current state of legislation is presented in an article contained in this newsletter. Additional information may be found through an updated ORHA power point and seminar. Please contact the office if you would like additional information.
- The updated Landlord Tenant law book is now available and looks great. Please contact Maren to order.
- We are currently planning training sessions associate with The Housing Choice Act of 2013. Please contact the office if you are interested in scheduling a session.
- The forms manual is being revised the many forms updates introduced over the past couple of years. We anticipate that a new edition will be available near the end of May.
- Remember to check the website for information on local events, training sessions and relevant news items. The site continues to evolve and we anticipate regular updates to content.

Housing Choice Landlord Guarantee Program, *continued from page 3.*

repaid" means that the program will apprise landlords of that information and whether the program will advise the amount repaid or just indicate that it has or has not been paid in full. I will request that this be clarified.

(a) The contact number or email address that a landlord may use to request compliance information will be made available on the department's website.

(b) The department will respond promptly to requests for compliance information.

JIM'S NOTE: *ORHA has consistently maintained that the program should be held to a time sensitive standard where they must respond to requests for compliance information. I will reiterate our request that a particular time deadline be set for the program to respond to information requests.*

(c) The department will update compliance information on a timely basis, with a goal of not less frequently than every 30 days.

JIM'S NOTE: *ORHA specifically requested an update requirement of at least every 30 days. In this draft of the administrative rules, this was made a 'goal', rather than a requirement. I will again request that the timeframe be made a requirement.*

Some Additional Recommendations:

ORHA suggested that the granting of tenant repayment waiver not be made a permanent condition, but that the tenant's repayment accounting could be reopened in the future if the tenant's economic situation changed (for instance, they won the lottery). We will reiterate that request.

What about the consequences for non-payment of a tenant repayment obligation? Could tenants who do not honor their repayment plan be removed from the Section 8 program? At this point, it appears that sending the account to collections is the only real repercussion for the tenant. We will ask again whether any other repercussions could be levied against a tenant who does not honor a program repayment obligation.

Will the program assist landlords to collect judgment amounts in excess of the $5,000 guarantee program per claim cap? We will request this again in our comments.

For more information contact
Maren at: (503) 364-5468
or maren@oregonrentalhousing.com

ORHA ADMINISTRATIVE & LEGISLATIVE STAFF
Maren Winters, Administrator | maren@oregonrentalhousing.com
Shawn Miller, Lobbyist | shawn@millerpublicaffairs.com
Jim Straub, Legislative Director | legislativedirector@oregonrentalhousing.com