

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	9 - 0 - 0
Yeas:	Barker, Bonamici, Cameron, Flores, Komp, Krieger, Read, Whisnant, Macpherson
Nays:	0
Exc.:	0
Prepared By:	Matt Kalmanson, Counsel
Meeting Dates:	2/27, 4/5

WHAT THE MEASURE DOES: Establishes new provisions in the Oregon Planned Community Act (OPCA) and the Oregon Condominium Act (OCA), relating to voting, electronic communication, appointment of receivers, special meetings, insurance, and reserves. Provides, among other things, procedures for an owner to request the appointment of a receiver to manage the affairs of a homeowners association (Association). Allows an Association to: (a) obtain insurance that contains a deductible that exceeds the maximum specified in the bylaws; (b) create a process for paying the deductible and processing insurance claims; and (c) require individual owners to obtain insurance beyond that specified in the bylaws. Requires an Association to establish a reserve and draft a maintenance plan. Permits electronic notices and electronic voting. Requires the recording of votes at meetings. Establishes procedures for voting by written ballots and holding special meetings, and provides that directors may not vote by proxy or by secret ballot except for the election of officers. Precludes bylaws from limiting recovery of attorney fees by prevailing party in litigation brought under the OPCA or OCA. Applies to pre-2002 planned communities.

ISSUES DISCUSSED:

- The Condominium/Home Owners Association (HOA) Working Group
- The OPCA and the OCA, and the difference between the statute's default provisions and mandatory provisions
- Nature of, and rules governing, Associations
- Rights of owners and Associations regarding common and individual elements of property
- Insurance provisions
- Reserve study and maintenance plan requirements
- Burden on small Associations

EFFECT OF COMMITTEE AMENDMENT: Requires recording of declaration for planned communities, and requires the declaration to contain specific information about the nature of the planned community and its governing laws. Requires annual budget for a planned community to include moneys to be allocated to the reserve account. Exempts condominiums consisting of four or fewer units from reserve study and maintenance plan requirements, notwithstanding any requirement in the declaration or bylaws.

BACKGROUND: HB 2665 is a product of the Condominium/Home Owners Association Working Group. The OCA regulates the creation and operation of condominiums, while the OPCA provides a regulatory framework for "planned communities." The difference between a condominium and a planned community relates to the form of ownership – a condominium is a specific form of ownership of property, while a planned community can take various different forms. The governing documents for condominiums and planned communities establish the rights and responsibilities of the owners, and contain provisions that govern the management and operation of an Association, which can levy and collect assessments for common expenses and has powers of enforcement. Both the OCA and the OPCA require that certain provisions be in the governing documents, and contain "default" provisions that apply only if the governing documents are silent on certain issues. HB 2665 includes new "default" provisions, i.e., provisions that apply only if the governing documents of an Association are silent on the issue, as well as provisions that override existing bylaws.

4/11/2007 5:14:00 PM

This summary has not been adopted or officially endorsed by action of the committee.