

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Deckert, George L., Monnes Anderson, Starr, Metsger
Nays:	0
Exc.:	0
Prepared By:	Janet Adkins, Administrator
Meeting Dates:	5/14

WHAT THE MEASURE DOES: Establishes new provisions in the Oregon Planned Community Act and the Oregon Condominium Act, relating to voting, electronic communication, appointment of receivers, special meetings, insurance, and reserves. Provides procedures for an owner to request the appointment of a receiver to manage the affairs of a homeowners association. Provides a means to reduce quorum requirements for general membership meetings. Allows an association to: (a) obtain insurance with a deductible that exceeds the maximum specified in the association's bylaws, but no more than \$10,000 or an amount acceptable to the Federal National Mortgage Association (Fannie Mae); (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. Modifies reserve and maintenance plan requirements and requires budget to include moneys allocated to the reserve account. Provides for electronic notices and electronic voting, with exceptions. Requires the recording of votes at board meetings and provides that a board member's silence regarding actions taken may be taken as assent. 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 by secret ballot. Precludes bylaws from limiting recovery of attorney fees by prevailing party in litigation brought under the either Act. Takes effect on 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

- The broad-based nature of the Condominium/Home Owners Association Working Group
- The difference between the statutory default provisions and mandatory provisions
- Inability to proceed when quorums cannot be obtained
- Informal nature of some board meetings
- Reduced quorum and silence-implies-consent provisions
- Common and individual elements of property
- Insurance provisions

EFFECT OF COMMITTEE AMENDMENT: Applies exemption from reserve study and maintenance plan requirements to one or two unit condominiums instead of four or fewer unit condominiums. Advances effective date to 91st day after adjournment *sine die*.

BACKGROUND: House Bill 2665-B is a product of the Condominium/Home Owners Association Working Group. The Oregon Condominium Act (OCA) regulates the creation and operation of condominiums, while the Oregon Planned Community Act (OPCA) provides a regulatory framework for "planned communities." The difference between a condominium and a planned community relates to the form of ownership. 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. House Bill 2665-B includes new default provisions, as well as provisions that override existing bylaws. The changes provide a means to proceed when bylaws requirements cannot be met.

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