

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	5 - 3 - 1
Yeas:	Barker, Cameron, Flores, Read, Whisnant
Nays:	Bonamici, Komp, Macpherson
Exc.:	Krieger
Prepared By:	Matt Kalmanson, Counsel
Meeting Dates:	4/25, 4/30

WHAT THE MEASURE DOES: Shortens statute of repose for construction defect actions involving large commercial structures.

ISSUES DISCUSSED:

- Differences between large commercial construction projects, small commercial projects and residential projects
- Potential change to definition of residential projects in companion bill
- Sophistication of parties who contract for large commercial construction projects
- Validity of indemnification agreements between owners and contractors
- Availability of insurance
- Laws of other states

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: ORS 12.135 provides that an action against a person arising from the design, construction, alteration or repair of any improvement to real property must be commenced within 10 years from “substantial completion or abandonment” of the construction, alteration or repair of the improvement to real property. HB 3241 would amend the statute of repose depending on the type of project being constructed. It would establish a 10 year statute of repose for a “small commercial structure” or a “residential structure,” and a six year statute of repose for a “large commercial structure.” The time period would begin to run after substantial completion or abandonment of the construction, alteration or repair of the structure. Currently, a “small commercial structure” is defined in ORS 71.005 to mean a nonresidential structure that has a ground area of 4,000 square feet or less, including exterior walls, and a height of not more than 20 feet from the top surface of the lowest flooring to the highest interior overhead finish of the structure. A “residential structure” means a residence, including a site-built home, modular home constructed off-site, floating home as defined in ORS 830.700, condominium unit, manufactured dwelling or duplex, or a multiunit residential building consisting of four units or less that is not part of a multistructure complex of buildings.” A “large commercial structure” means a structure that is not a residential structure or small commercial structure.