A-Engrossed House Bill 3090

Ordered by the House May 1 Including House Amendments dated May 1

Sponsored by Representative CANNON, Senator DINGFELDER; Representatives BAILEY, BARNHART, BRUUN, BUCKLEY, DEMBROW, HARKER, READ, STIEGLER, Senators HASS, ROSENBAUM

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Prohibits inclusion in instrument conveying or contracting to convey real property or in declaration or bylaws of community **or condominium** governed by declaration of certain provisions prohibiting or limiting use of renewable energy devices.

Specifies procedures by which owner of property may petition to remove provision from instrument.

A BILL FOR AN ACT

- 2 Relating to renewable energy; creating new provisions; and amending ORS 93.272 and 105.880.
- Be It Enacted by the People of the State of Oregon:
- SECTION 1. ORS 105.880 is amended to read:
- 105.880. [(1) No person conveying or contracting to convey fee title to real property shall include in an instrument for such purpose a provision prohibiting the use of solar energy systems by any person on that property.]
 - [(2) Any provision executed in violation of subsection (1) of this section after October 3, 1979, is void and unenforceable.]
- 10 [(3) For the purposes of this section, "solar energy system" means any device, structure, mechanism
 11 or series of mechanisms which uses solar radiation as a source for heating, cooling or electrical
 12 energy.]
 - (1) As used in this section, "solar energy system" means a device, structure, mechanism or series of mechanisms that uses solar radiation as a source for heating, cooling or electrical energy, including a device, structure or mechanism for radiant drying of clothing in open air.
 - (2) A person may not include in an instrument conveying or contracting to convey fee title to real property a provision:
 - (a) Prohibiting the use of a solar energy system on the property; or
 - (b) Restricting the orientation or use of a solar energy system on the property in a manner that impairs the effective operation of the solar energy system.
 - (3) A provision in an instrument is void and unenforceable if the provision violates:
- 23 (a) Subsection (2)(a) of this section and the instrument was executed after October 3, 24 1979.
 - (b) Subsection (2)(b) of this section and the instrument was executed after the effective date of this 2009 Act.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

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- (4) An owner of record of real property subject to an instrument containing a provision described in this section may file a petition to remove the provision in the manner provided in ORS 93.272 for removal of a similar provision from an instrument conveying or contracting to convey fee title to real property.
 - SECTION 2. Section 3 of this 2009 Act is added to and made a part of ORS 94.550 to 94.783.
- <u>SECTION 3.</u> (1) A provision in a declaration or bylaws of a planned community is void and unenforceable as a violation of the public policy to protect the public health, safety and welfare if the provision:
 - (a) Prohibits the use of a solar energy system, as defined in ORS 105.880, on a lot; or
- (b) Restricts the orientation or use of a solar energy system on a lot in a manner that impairs the effective operation of the solar energy system.
- (2) An owner of record of a lot that is subject to an instrument containing a provision described in this section may file a petition to remove the provision in the manner provided in ORS 93.272 for removal of a similar provision from an instrument conveying or contracting to convey fee title to real property.
 - (3) This section does not:

- (a) Authorize an owner of record to install a solar energy system in or on common property or property maintained by the homeowners association.
- (b) Prohibit inclusion in a declaration, bylaws, rules or regulations of a provision that establishes reasonable restrictions on size, appearance or location of a solar energy system without impairing effective operation of the solar energy system.
 - SECTION 4. Section 5 of this 2009 Act is added to and made a part of ORS chapter 100.
- SECTION 5. (1) A provision in a declaration or bylaws of a condominium is void and unenforceable as a violation of the public policy to protect the public health, safety and welfare if the provision:
- (a) Prohibits the use of a solar energy system in or on a unit or limited common elements reserved to the unit; or
- (b) Restricts the orientation or use of a solar energy system in or on a unit or limited common elements reserved to the unit in a manner that impairs the effective operation of the solar energy system.
- (2) A unit owner of a condominium unit that is subject to an instrument containing a provision described in this section may file a petition to remove the provision in the manner provided in ORS 93.272 for removal of a similar provision from an instrument conveying or contracting to convey fee title to real property.
 - (3) This section does not:
- (a) Authorize a unit owner to install a solar energy system in or on a general common element or property maintained by the association of unit owners.
- (b) Prohibit inclusion in a declaration, bylaws, rules or regulations of a provision that establishes reasonable restrictions on size, appearance or location of a solar energy system without impairing effective operation of the solar energy system.
 - **SECTION 6.** ORS 93.272 is amended to read:
- 93.272. (1) Any owner of record of real property that is subject to an instrument conveying or contracting to convey fee title to the property that contains a provision that is in violation of ORS 93.270 or 105.880 or section 3 or 5 of this 2009 Act may file a petition to remove that provision from the title to the property. The petition [shall] must be filed in the circuit court for the county

in which the property is located. [No fee shall be charged] The circuit court may not charge a fee for the filing of the petition. The petition [shall] must contain:

- (a) The name and mailing address of the person filing the petition;
- (b) The name and mailing address of all owners of record of the property;
- (c) The legal description of the property subject to the provision in violation of ORS 93.270 or 105.880 or section 3 or 5 of this 2009 Act; and
- (d) A clear reference to the provision claimed to be in violation of ORS 93.270 or 105.880 or section 3 or 5 of this 2009 Act.
- (2) **The petitioner shall serve** notice and a copy of the petition [shall be served] on all owners of record in any manner provided for in ORCP 7. The notice [shall] **must** inform the owners of record that:
- (a) The petition seeks the removal of a provision that is in violation of ORS 93.270 or 105.880 or section 3 or 5 of this 2009 Act from the title to the property;
 - (b) The person served may request a hearing within 10 days after service of the petition; and
- (c) The court [is authorized to] may enter a default judgment removing the provision if [no] the owners of record do not request a hearing [is requested by the owners of record].
- (3) The petitioner shall file with the court proof of service in the manner provided in ORCP 7 F. If [no] a request for hearing is **not** made by any person served within 10 days after service on that person, the court shall enter a judgment removing the provision from the title to the property if the court determines that the provision is in violation of ORS 93.270 or 105.880 or section 3 or 5 of this 2009 Act.
- (4) If a hearing is requested by any person served under subsection (2) of this section, the clerk of the court shall schedule a hearing within 20 days after the filing of the request for a hearing. The clerk of the court shall mail notification of the hearing date to the petitioner and to all owners of record listed in the petition.
- (5) At any hearing under the provisions of this section, the sole issue [that shall] to be decided by the court is whether the provision that is the subject of the petition is in violation of ORS 93.270 or 105.880 or section 3 or 5 of this 2009 Act. The court shall try the matter [shall be tried to the court sitting] without a jury. If the court finds that the provision is not in violation of ORS 93.270 or 105.880 or section 3 or 5 of this 2009 Act, the court shall dismiss the petition. If the court finds that the provision is in violation of ORS 93.270 or 105.880 or section 3 or 5 of this 2009 Act, the court shall enter a judgment removing the provision from the title to the property.
- (6) If a court finds only part of a provision to be in violation of ORS 93.270 or 105.880 or section 3 or 5 of this 2009 Act under this section, the court shall enter a judgment removing only that part of the provision that is in violation.
 - (7) For the purposes of this section[,]:
- (a) "Instrument conveying or contracting to convey fee title" includes a declaration and bylaws of a planned community established pursuant to ORS 94.550 to 94.783 or by contract and a declaration and bylaws of a condominium established pursuant to ORS chapter 100.
- **(b)** "Owner of record" means a person having any legal or equitable interest in property, including, but not limited to, a purchaser, lienholder or holder of any security interest in [such] **the** property whose interest is recorded in the public records provided for by Oregon statutes where the owner's interest must be recorded to perfect a lien or security interest or provide constructive notice of the owner's interest.