

**REVENUE:** No revenue impact

**FISCAL:** Minimal fiscal impact, no statement issued

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<b>Action:</b>	Do Pass
<b>Vote:</b>	10 - 0 - 0
<b>Yeas:</b>	Garrett, Hicks, Nolan, Olson, Schaufler, Tomei, Wand, Whisnant, Barker, Krieger
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Aaron Knott, Counsel
<b>Meeting Dates:</b>	5/9, 5/16

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**WHAT THE MEASURE DOES:** Allows the initial or secondary notice of residential defect to be sent by certified mail. Exempts small claims and counterclaims relating to a contract for the construction, alteration or repair of a residence or a system, component or material incorporated into a residence.

**ISSUES DISCUSSED:**

- Notice of defect statutes
- Counterclaim exemption from service rules
- Cost of certified versus registered mail

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** ORS 701.565 provides that an owner may not compel arbitration or commence a court action against a contractor, subcontractor or supplier to assert a claim arising out of or related to any defect in the construction, alteration or repair of a residence or in regard to any system or component of that residence unless the owner has sent that person a notice of defect by registered mail. Senate Bill 383 makes the following three changes: exempts small claimants from compliance with the notice requirement of ORS 701.565; exempts filing of a counterclaim from compliance with said requirement and allows permit notice to be provided by certified mail in addition to registered mail.