

**REVENUE: No revenue impact**

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

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**Action:** Do Pass

**Vote:** 5 - 0 - 0

**Yeas:** Bonamici, Dingfelder, Kruse, Whitsett, Prozanski

**Nays:** 0

**Exc.:** 0

**Prepared By:** Aaron Knott, Counsel

**Meeting Dates:** 2/22, 3/8

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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:**

- Burden on small claimants
- Counterclaims do not initiate proceedings so the adverse party is already aware of the litigation

**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. This bill would make three changes: Senate Bill 383 would exempt small claimants from compliance with the notice requirement of ORS 701.565, exempt filing of a counterclaim from compliance with said requirement, and permit notice to be provided by certified mail in addition to registered mail.