

**REVENUE: No revenue impact**

**FISCAL: No fiscal impact**

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**Action:** Do Pass as Amended and Be Printed Engrossed

**Vote:** 5 - 0 - 0

**Yeas:** Baertschiger, Burdick, Close, Prozanski, Roblan

**Nays:** 0

**Exc.:** 0

**Prepared By:** Racquel Rancier, Administrator

**Meeting Dates:** 2/28, 3/21

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**WHAT THE MEASURE DOES:** Authorizes local government to record notice of substantial damage with county clerk when residential structure sustains substantial flood-related damage and does not comply with hazard area ordinances. Requires local government to void such notice by recording remedy when structure is brought into compliance with applicable ordinances. Applies to substantial damage occurring before, on or after effective date of act. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Repair of substantially damaged buildings requires bringing building into compliance with local government floodplain ordinance if in area designated by FEMA or local government
- Damaged buildings have been sold with buyer unaware of damage and requirement to comply with current floodplain regulations
- Cost to fix structures not in compliance with ordinances
- Voluntary tool for local government to help buyers determine if structure has been substantially damaged, particularly when seller is exempt from requirement to complete property disclosure statement
- Local government determines process for adding and removing record of substantial damage

**EFFECT OF COMMITTEE AMENDMENT:** Replaces measure.

**BACKGROUND:** To participate in the National Flood Insurance Program, local governments must adopt and enforce floodplain management ordinances that meet minimum Federal Emergency Management Agency (FEMA) standards. For most real property transactions, sellers must complete a property disclosure statement to disclose if a structure is in a floodplain; if it has been damaged by floods; and the existence of any insurance claims, repairs or remediation (ORS 105.464-465). However, some sellers such as financial institutions are exempt from disclosure, and in those transactions, the buyer may not receive notice of flood-related damage and the need to bring the structure into compliance with local ordinances.

Senate Bill 465 permits local governments to provide notice by recording substantial damage from flooding with the county clerk.