

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	9 - 0 - 0
Yeas:	Doherty, Johnson, Keny-Guyer, Lively, Richardson, Smith, Thatcher, Vega Pederson, Holvey
Nays:	0
Exc.:	0
Prepared By:	Bob Estabrook, Administrator
Meeting Dates:	3/26, 4/4, 4/11

WHAT THE MEASURE DOES: Establishes requirements for association accounts of planned community homeowners associations and condominium unit owners associations. Specifies how association moneys may be held. Requires independent audit of financial statement of association with annual assessments of \$500,000 or more. Specifies uses of operating accounts and reserve accounts. Requires certain information to be turned over to association by declarant. Requires certain insurance coverage to be obtained by association. Specifies individuals who may be association account holders.

ISSUES DISCUSSED:

- Process of developing measure through Joint Working Group process
- Minimizing risk of loss of association funds
- Allowing additional association fund investments beyond existing law
- Definition of investment objectives in statute
- Difference between Securities Investor Protection Corporation coverage and Federal Deposit Insurance Corporation insurance

EFFECT OF COMMITTEE AMENDMENT: Replaces the original measure.

BACKGROUND: Homeowner associations for planned communities are governed by ORS chapter 94 and unit owner associations of condominiums are similarly governed by ORS chapter 100. The Oregon Real Estate Agency has some regulatory authority over condominium associations but not homeowners associations.

House Bill 2823 A adds specific requirements to statutes regarding the financial affairs of both homeowner and unit owner associations. The bill specifies who may be account holders, how moneys of an association are to be held, when an independent audit of the financial statement is required and requires the association to maintain insurance in specified amount covering acts of dishonesty, embezzlement and theft by persons authorized to handle association moneys.