

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass with Amendments to the A-Engrossed Measure. (Printed B-Engrossed)

Vote: 5 - 0 - 0

Yeas: Baertschiger, George, Monnes Anderson, Prozanski, Shields

Nays: 0

Exc.: 0

Prepared By: Channa Newell, Administrator

Meeting Dates: 5/22, 5/29

WHAT THE MEASURE DOES: Establishes requirements for association operating accounts of planned community homeowners associations and condominium unit owners associations. Specifies persons authorized to be association account holders and institutions in which accounts may be held. Defines “operating account” and “reserve account” and specifies objectives and allowable actions for such accounts. Requires audit of association financial statements on annual basis if annual assessments are \$500,000 or more. Requires association obtain insurance against bad acts in specified amount. Prohibits associations from banning signs based on content from property under control of owner, but allows associations to impose reasonable restrictions on number, size, and period of display of such signs. Prohibits associations from making information confidential or exempt from disclosure unless information is confidential or exempt under Oregon law. Allows requests for association records to be made via electronic means.

ISSUES DISCUSSED:

- Working Group composition
- Efforts to reduce homeowner association risks
- Examples of injury to associations from third parties
- Effects of amendments
- Example situations in which signs were banned

EFFECT OF COMMITTEE AMENDMENT: Prohibits associations from banning signs based on content from property under control of owner, but allows associations to impose reasonable restrictions on number, size, and period of display of such signs. Prohibits associations from making information confidential or exempt from disclosure unless information is confidential or exempt under Oregon law. Allows requests for association records to be made via electronic means.

BACKGROUND: The Oregon Real Estate Agency is charged with the licensing and regulation of real estate principal brokers, property managers, escrow agents, real estate marketing organizations, subdivisions, manufactured dwelling subdivisions, condominiums, and timeshares. The Agency participates in a Working Group composed of attorneys, planned community groups, condominium associations, and condominium owners.

Proponents assert that in June 2012, more than 30 metro-area homeowners associations lost between \$1.2 and \$2.0 million in embezzlement by a homeowners association manager. The original version of House Bill 2823 was the result of research and collaboration among Working Group participants to safeguard association funds and minimize losses.

6/3/2013 3:49:00 PM

This summary has not been adopted or officially endorsed by action of the committee.