

HB 3056 STAFF MEASURE SUMMARY

Carrier: Rep. Vial

House Committee On Judiciary

Action Date: 04/04/17

Action: Do Pass.

Vote: 10-0-1-0

Yeas: 10 - Barker, Greenlick, Lininger, Olson, Post, Sanchez, Sprenger, Stark, Vial, Williamson

Exc: 1 - Gorsek

Fiscal: No fiscal impact

Revenue: No revenue impact

Prepared By: Josh Nasbe, Counsel

WHAT THE MEASURE DOES:

Maintains lien for assessments imposed by planned community homeowners association or condominium association following entry of civil judgment in favor of association. Extinguishes lien, or portion of lien, to extent judgment is satisfied.

ISSUES DISCUSSED:

- Clarification of existing law
- If assessments are unpaid, other homeowners may have to pay
- Civil actions seeking money judgments preferred over foreclosure

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon law provides that when a homeowners association or condominium association levies an assessment on property owners, the association is provided a lien against the underlying real property. Several remedies exist for the association to collect on this lien. The association may, in appropriate circumstances, commence a civil action to obtain a money judgment, foreclose on the property or take a deed in lieu of foreclosure.

House Bill 3056 clarifies that successfully obtaining a money judgment against a property owner does not extinguish the lien. The bill further clarifies that a partial satisfaction of the judgment does not extinguish the lien and that satisfying the judgment does not extinguish any portion of the lien that is unrelated to the judgment