

From: billybagnall <billybagnall@icloud.com>
Sent: Wednesday, May 1, 2019 10:02 AM
To: Rep Holvey <Rep.PaulHolvey@oregonlegislature.gov>
Subject: Community Association Construction Defect Claims (HB 3432)

Dear Representative Holvey,

I am writing to you to voice my concern about a new bill that you are reviewing tomorrow regarding Condo Construction Defect Claims. I believe that Oregon community associations are being targeted for discriminatory treatment under a new bill in the Oregon Legislature sponsored by the Homebuilder's Association and other groups. Here are the 3 main problematic points that I would like to raise:

- The statute of repose, which is the legal time limit for filing a lawsuit, would be shortened from 10 years to 6 years for construction defect claims brought by a community association, including any claims for defective repair work. This reduced time period for filing construction defect lawsuits does not apply to single family homes, apartments, or any other residential structures. It is targeted at community associations only. I am a member of an HOA in Portland Oregon and we've faced construction defects that only presented more than 7 years out from construction. The proposed 6 years is not long enough and I believe that the engineering professionals in the Building Sciences business would agree.
- Community association boards would not have the right to authorize a lawsuit unless they first received written approval from the owners of a majority of the lots or units, including lots or units owned by the developer. This is very unfair to owners who live in Condo buildings that are still controlled by the developer. Also, most Homeowner Associations have governing documents that address the rules around when a vote of the ownership is required. The State of Oregon does not need to impose this very difficult restriction.
- In an effort to justify shortening the statute of repose, the bill's sponsors have included a requirement that developers have certain inspections performed on new construction only. However, these inspection requirements do not provide community associations with any significant protection because the persons performing these inspections are not required to have any qualifications and, under the current text of the bill, could be employees of the developer.

If this bill passes in its current form, it will deprive community associations of the ability to recover money from builders and repair contractors. Many associations do not discover construction defects until well after the new proposed 6 year deadline. These associations will be left to pay for the mistakes of others through large special assessments.

I oppose this bill and I hope that the committee will do so as well.

Sincerely,

Bill Bagnall