

HB 2312 A -A4 STAFF MEASURE SUMMARY

Senate Committee On Business and General Government

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Meeting Dates: 4/18, 5/9

WHAT THE MEASURE DOES:

Requires property seller to disclose to each buyer who makes a written offer whether the seller ever purchased flood insurance for the property.

ISSUES DISCUSSED:

- Current cost of flood insurance
- Goal of informing buyers that flood insurance may be required if home is located in floodplain
- Relative merits of using seller disclosure to inform buyer of flood insurance costs

EFFECT OF AMENDMENT:

-A4 Removes flood insurance disclosure. Adds note to seller disclosure which clarifies that flood insurance may be required for homes in floodplain.

BACKGROUND:

Oregon law requires a property seller to provide to each buyer who makes a written offer to purchase the property a property disclosure statement. The content of the disclosure statement is prescribed in statute, and requires the seller to respond to statements on the status of the property including title, water source, insulation, systems, and structure. The seller must respond to each item on the disclosure. If the seller fails to provide the form, the buyer has the right to revoke their offer at any time prior to closing. When the disclosure form is provided, the buyer has five days to revoke their offer. The current form requires disclosure if the property is in a designated floodplain. Since 1973, federal law has required property owners to purchase flood insurance if the property is located within a Special Flood Hazard Area. Oregon's disclosure requirement does not explicitly inform the buyer whether flood insurance is required.

House Bill 2312-A requires the property seller to disclose if the seller has ever purchased flood insurance.