

HB 2312 A STAFF MEASURE SUMMARY

Carrier: Rep. Reardon

House Committee On Business and Labor

Action Date: 03/04/19

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 11-0-0-0

Yeas: 11 - Barker, Barreto, Boles, Bonham, Boshart Davis, Bynum, Clem, Doherty, Evans, Fahey, Holvey

Fiscal: No fiscal impact

Revenue: No revenue impact

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Meeting Dates: 2/11, 3/4

WHAT THE MEASURE DOES:

Requires property seller to disclose, at time of offer, whether they ever purchased flood insurance for the property.

ISSUES DISCUSSED:

- Buyer often learns of requirement to have flood insurance late in transaction
- Efforts at federal level to change flood insurance program
- Channel Migration Zones not mapped by Federal Emergency Management Agency (FEMA)
- Real estate agents do not assist seller in completing property disclosure form
- Capability of seller in reviewing FEMA flood maps
- Flood insurance requirement to obtain mortgage

EFFECT OF AMENDMENT:

Requires seller to disclose if they have ever purchased flood insurance. Deletes proposed disclosures of whether property is located within Special Flood Hazard Area or whether purchase of flood insurance is required.

BACKGROUND:

Oregon law requires a property seller to provide a potential buyer, at time an offer is made, a property disclosure statement that is based on the seller's actual knowledge of the property at that time. The disclosure statement must be substantially in the form provided in statute. 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 additional information about flood hazards. Specifically, the seller must disclose if they ever purchased flood insurance for the property.