

**HB 2312 B STAFF MEASURE SUMMARY**

**Carrier:** Rep. Reardon

**Conference Committee on HB 2312**

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**Action Date:** 06/20/19

**Action:** House concur in Senate amendments dated 05-14 and repass.

**House Vote**

**Yeas:** 3 - Meek, Reardon, Zika

**Senate Vote**

**Yeas:** 2 - Dembrow, Riley

**Abs:** 1 - Girod

**Fiscal:** No fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Jan Nordlund, LPRO Analyst

**Meeting Dates:** 6/20

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**WHAT THE MEASURE DOES:**

Requires seller's property disclosure form to indicate flood insurance may be required for homes located in a floodplain.

**ISSUES DISCUSSED:**

- Example of home located within a floodplain but owner was not required to purchase flood insurance
- Example of home located outside of a floodplain but owner chose to purchase flood insurance
- Benefit of providing potential buyer with information about owner's required or voluntary purchase of flood insurance
- Additional expense of flood insurance can make transaction unaffordable

**EFFECT OF AMENDMENT:**

No amendment.

**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-B requires the seller's property disclosure form to state that flood insurance may be required for homes in a floodplain.