

# House Bill 2211

Sponsored by Representative WILDE (Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows owner of condemned property to require binding or nonbinding arbitration for claims without respect to amount in controversy.

Confirms compilation of section 5, chapter 274, Oregon Laws 2005, and section 1, chapter 433, Oregon Laws 2005, with Ballot Measure 39 (2006).

## A BILL FOR AN ACT

1  
2 Relating to condemnation procedures; amending ORS 35.346.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 35.346 is amended to read:

5 35.346. (1) At least 40 days before the filing of any action for condemnation of property or any  
6 interest in property, the condemner shall make a written offer to the owner or party having an in-  
7 terest to purchase the property or interest, and to pay just compensation therefor and for any  
8 compensable damages to remaining property.

9 (2) The offer shall be accompanied by any written appraisal upon which the condemner relied  
10 in establishing the amount of compensation offered. If the condemner determines that the amount  
11 of just compensation due is less than \$20,000, the condemner, in lieu of a written appraisal, may  
12 provide to the owner or other person having an interest in the property a written explanation of the  
13 bases and method by which the condemner arrived at the specific valuation of the property. The  
14 amount of just compensation offered shall not be reduced by amendment or otherwise before or  
15 during trial except on order of the court entered not less than 60 days prior to trial. An order for  
16 reduction of just compensation offered, pleaded by the condemner in the complaint or deposited with  
17 the court for the use and benefit of the owner pending outcome of the condemnation action, may  
18 be entered only upon motion of the condemner and a finding by clear and convincing evidence that  
19 the appraisal upon which the original offer is based was the result of a mistake of material fact that  
20 was not known and could not reasonably have been known at the time of the original appraisal or  
21 was based on a mistake of law.

22 (3) Unless otherwise agreed to by the condemner and the owner, prior to appraising the property  
23 the condemner shall provide not less than 15 days' written notice to the owner of the planned ap-  
24 praisal inspection. The property owner and designated representative, if any, shall be invited to ac-  
25 company the condemner's appraiser on any inspection of the property for appraisal purposes.

26 (4) The owner has not less than 40 days from the date the owner receives the written offer re-  
27 quired by subsection (1) of this section, accompanied by the appraisal or written explanation re-  
28 quired by subsection (2) of this section, to accept or reject the offer. If the owner rejects the  
29 condemner's offer and obtains a separate appraisal, the owner shall provide the condemner with a  
30 copy of the owner's appraisal not less than 60 days prior to trial or arbitration.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (5)(a) Failure to provide the opposing party with a copy of the appropriate appraisal as provided  
 2 in subsections (2) and (4) of this section shall prohibit the use of the appraisal in arbitration or at  
 3 trial.

4 (b) In the event the owner and condemner are unable to reach agreement and proceed to trial  
 5 or arbitration as provided in subsection (6) of this section, each party to the proceeding shall pro-  
 6 vide to every other party a copy of every appraisal obtained by the party as part of the condemna-  
 7 tion action.

8 (6)(a) If an action based on the condemnation is filed, the owner may elect to have compensation  
 9 determined by binding **or nonbinding** arbitration [*if the total amount of compensation claimed by any*  
 10 *party does not exceed \$20,000*]. Notice of an election of binding arbitration must be given to the  
 11 condemner at least 90 days prior to the date on which an arbitration hearing is scheduled under  
 12 ORS 36.420.

13 (b) [*Notwithstanding the amount established under ORS 36.400, if the owner elects to proceed with*  
 14 *binding arbitration, the arbitration shall be conducted according to the mandatory arbitration program*  
 15 *established under ORS 36.400 to 36.425.*] **Notwithstanding the amount established under ORS**  
 16 **36.400, if the owner elects to proceed with binding arbitration, the arbitration must be con-**  
 17 **ducted according to the mandatory arbitration program established under ORS 36.400 to**  
 18 **36.425.** Notwithstanding ORS 36.425, no party may request a trial de novo after the filing of the  
 19 decision and award of the arbitrator. Within 20 days after the filing of the decision and award of  
 20 the arbitrator under ORS 36.425, any party may file a motion with the court for the vacation, mod-  
 21 ification or correction of the award. The court may vacate an award only if there is a basis to va-  
 22 cate the award described in ORS 36.705 (1)(a) to (d). The court may modify or correct an award only  
 23 for the grounds given in ORS 36.710. Except as provided in this subsection, no party may appeal  
 24 from the decision and award of an arbitrator if the owner elects binding arbitration in lieu of trial.

25 (c) If the [*total amount of compensation claimed exceeds \$20,000 but is less than \$50,000, the owner*  
 26 *may elect*] **owner elects** to have compensation determined by nonbinding arbitration, **the arbi-**  
 27 **tration must be conducted** under the applicable provisions of ORS 36.400 to 36.425.

28 (7) If a trial is held or arbitration conducted for the fixing of the amount of compensation to be  
 29 awarded to the defendant owner or party having an interest in the property being condemned, the  
 30 court or arbitrator shall award the defendant costs and disbursements including reasonable attorney  
 31 fees and reasonable expenses as defined in ORS 35.335 (2) in the following cases, and no other:

32 (a) [*If the amount of just compensation assessed by the verdict in the trial exceeds the highest*  
 33 *written offer in settlement submitted by condemner before the filing of the action to those defendants*  
 34 *appearing in the action pursuant to subsection (1) of this section; or*] **If the amount of just com-**  
 35 **penetration assessed by the verdict in the trial exceeds the highest written offer in settlement**  
 36 **submitted by condemner before the filing of the action to those defendants appearing in the**  
 37 **action pursuant to subsection (1) of this section; or**

38 (b) If the court finds that the first written offer made by condemner to defendant in settlement  
 39 before the filing of the action did not constitute a good faith offer of an amount reasonably believed  
 40 by condemner to be just compensation.

41 (8) [*If any appraisal provided to a party under this section relies on a written report, opinion or*  
 42 *estimate of a person who is not an appraiser, a copy of the written report, opinion or estimate must*  
 43 *be provided with the appraisal. If any appraisal provided under this section relies on an unwritten*  
 44 *report, opinion or estimate of a person who is not an appraiser, the party providing the appraisal must*  
 45 *also provide the name and address of the person who provided the unwritten report, opinion or esti-*

1 *mate.]* **If any appraisal provided to a party under this section relies on a written report,**  
2 **opinion or estimate of a person who is not an appraiser, a copy of the written report, opinion**  
3 **or estimate must be provided with the appraisal. If any appraisal provided under this section**  
4 **relies on an unwritten report, opinion or estimate of a person who is not an appraiser, the**  
5 **party providing the appraisal must also provide the name and address of the person who**  
6 **provided the unwritten report, opinion or estimate.**

7 (9) Costs and disbursements other than reasonable attorney fees and expenses as defined in ORS  
8 35.335 (2) shall be awarded to condemner in all cases other than those in which defendant is entitled  
9 to costs and disbursements under subsection (7) of this section.

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