



2019 End of Session Report

Community Associations Institute's (CAI) Oregon Legislative Action Committee (OR LAC) was busy during this legislative session. CAI members volunteered hundreds of collective hours to review bills, draft testimony, work with the LAC's lobbyists, meet with legislators and other decision-makers, and testify for and against bills. More than 2,760 bills were introduced, and more than 590 bills were enacted. The LAC reviewed 29 bills that directly or indirectly impacted community associations. Ultimately, nine bills passed out of the legislature, and so far, four bills have become law and go into effect on January 1, 2020. Below is a brief list of highlights from 2019:

Bills that Passed

- **Electronic reporting (HB 2486)** – This bill allows the Real Estate Agency to electronically facilitate condominium reporting processes and reduces the number of signatures required on reports.
- **Fidelity bond coverage (HB 2466)** – This bill requires certain homeowners associations and condominium associations to carry fidelity bond coverage and to be audited by a certified public accountant at least once every three years if annual assessments exceed \$500,000, unless owners and the board of directors have elected otherwise in the preceding year.
- **Governing documents (HB 2485)** – This bill establishes procedures for the adoption of restated declaration, restated assignment of use of limited common elements and restated bylaws by condominium associations. It also requires the Real Estate Commissioner approval of restated declarations, limited residential condominium disclosure statements, nonresidential condominium documentation and amendments to declarations of condominiums, as well as establishing submission requirements and the procedure for the Commissioner's approval. Finally, this bill requires amendment procedures contained in bylaws of condominiums to be consistent with the provisions of law in effect at the time of recording.

Bills that Failed

- **Construction Defects (HB 2661)** - This bill would have shortened the period of limitation for tort action by a homeowner association or an association of unit owners arising out of structure construction defect. It also would have shortened the period of limitation by homeowner arising out of single-family dwelling construction defect. The bill would have prohibited a homeowner association or an association of unit owners from initiating or intervening in litigation or administrative proceeding arising out of construction defect unless approved by majority of lots or units voting at meeting called for purpose. Finally, it would have established separate procedures regarding response to notices of construction defect given by owner that is a homeowner association or association of unit owners.
- **Construction Defects (HB 3432)** – This bill would have required an amendment to state building code to include special inspections to detect construction defects in exterior waterproofing system of common property of homeowners associations, residential dwelling in planned communities served by homeowners association or condominiums. This bill also would have required construction design professionals to identify appropriate special inspections, as well as requiring general contractors to

ensure proper performance of special inspections and remedying of discovered defects. It would have also required issuance of certificate of occupancy if applicable special inspections have not been conducted. Finally, it would have reduced the statute of limitations for tort action by homeowners association or association of unit owners to bring action for construction defect in structure on which special inspections were performed. The LAC sent over 700 emails to the Oregon House Rules Committee to help kill this bill.

- **Recording Meetings (HB 2617)** – This bill would have allowed video and audio recordings of all association meetings unless prohibited by bylaws or declaration.

For more information on the OR LAC's activities and community association legislation in Oregon, visit www.caionline.org/ORLAC.

Your Assistance is Needed

The CAI OR LAC may rely on professional lobbying as a vital and integral part of the legislative process. As volunteers, CAI OR LAC members including homeowner leaders, community managers, and business partners, significantly rely on this highly effective professional representation. In addition to contributions from management companies and business partners, the CAI OR LAC needs your financial support to bolster their advocacy activities in 2019 and beyond. We encourage donations from Oregon community associations, business partners, and individuals. Please visit www.caionline.org/lacdonate/ and donate to "Oregon" to support our continued efforts.

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