

**REVENUE: No revenue impact**

**FISCAL: No fiscal impact**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	9 - 0 - 0
<b>Yeas:</b>	Barker, Bonamici, Cameron, Flores, Komp, Krieger, Read, Whisnant, Macpherson
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Matt Kalmanson, Counsel
<b>Meeting Dates:</b>	2/26, 4/5

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**WHAT THE MEASURE DOES:** Revises definition of “common property” in the Oregon Planned Community Act (OPCA) to include property designated to be transferred to the homeowners association (Association). Permits a declarant under the Oregon Condominium Act (OCA) to amend the declaration and bylaws to comply with requirements of government agencies and corporations. Establishes that windows and unit access doors are “general common elements” of a condominium, but the glazing and the screens are part of the individual units. Exempts sales of nonresidential units from disclosure statement and related sales procedure requirements. Allows declarant to convert a leasehold to a fee condominium after approval of 75 percent of the owners, even if the bylaws require approval of more individuals. Requires an Association with more than four units to be incorporated, and permits a board to incorporate a previously unincorporated association, notwithstanding anything provided in the bylaws. Requires recording of amendments to bylaws that have been approved by the Real Estate Commissioner within two years of the approval. Provides that, unless the bylaws or declaration say otherwise, a unit owner is responsible for the maintenance, repair and replacement of the unit, while the Association is responsible for the maintenance, repair and replacement of the common elements.

**ISSUES DISCUSSED:**

- The Condominium/Home Owners Association (HOA) Working Group
- The OPCA and the OCA, and the difference between the statute’s default provisions and mandatory provisions
- Nature of, and rules governing, Associations
- Rights of owners and Associations regarding common and individual elements of property
- Burden on small Associations

**EFFECT OF COMMITTEE AMENDMENT:** Allows homeowner associations of planned communities to initiate litigation and seek damages for the maintenance or repair of individually-owned or common property, if the association is responsible for some aspect of that property.

**BACKGROUND:** HB 2666 is a product of the Condominium/Home Owners Association Working Group. The OCA regulates the creation and operation of condominiums, while the OPCA provides a regulatory framework for “planned communities.” The difference between a condominium and a planned community relates to the form of ownership – a condominium is a specific form of ownership of property, while a planned community can take various different forms. The governing documents for condominiums and planned communities establish the rights and responsibilities of the owners, and contain provisions that govern the management and operation of an Association, which can levy and collect assessments for common expenses and has powers of enforcement. Both the OCA and the OPCA require that certain provisions be in the governing documents, and contain “default” provisions that apply only if the governing documents are silent on certain issues. HB 2666 includes new “default” provisions, i.e., provisions that apply only if the governing documents of an Association are silent on the issue, as well as provisions that override existing bylaws.

4/11/2007 5:15:00 PM

*This summary has not been adopted or officially endorsed by action of the committee.*