

House Bill 3058

Sponsored by Representatives VIAL, HELM

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**.

Establishes quorum requirements for meetings of certain homeowners associations and associations of unit owners. Establishes quorum reduction procedure for meetings of associations that follow meetings adjourned due to lack of quorum.

A BILL FOR AN ACT

1
2 Relating to quorum; creating new provisions; and amending ORS 94.655 and 100.408.

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

4 **SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS 94.550 to 94.783.**

5 **SECTION 2. (1) Except as provided in subsection (3) of this section, unless otherwise**
6 **provided by the declaration or bylaws of the planned community, a quorum for any meeting**
7 **of the homeowners association of a planned community described in ORS 94.572 (1) or a**
8 **planned community created under ORS 94.550 to 94.783 before January 1, 2010, consists of the**
9 **number of persons who are entitled to cast 20 percent of the votes in the planned commu-**
10 **nity.**

11 **(2) If any meeting of an association described in subsection (1) of this section cannot be**
12 **organized because of a lack of a quorum, the owners who are present, either in person or**
13 **by proxy, may adjourn the meeting from time to time until a quorum is present.**

14 **(3) Subject to subsection (4) of this section, unless prohibited by the declaration or by-**
15 **laws, the quorum for a meeting of the association following a meeting described in subsection**
16 **(2) of this section consists of:**

17 **(a) The number of persons who are entitled to cast the percentage of votes in the planned**
18 **community specified for a quorum reduction procedure in the declaration or bylaws of the**
19 **planned community; or**

20 **(b) If the declaration or bylaws of the planned community do not specify a quorum re-**
21 **duction procedure, the greater of:**

22 **(A) One-half of the quorum required in the declaration or bylaws of the planned com-**
23 **munity; or**

24 **(B) The number of persons who are entitled to cast 20 percent of the votes in the planned**
25 **community.**

26 **(4) A quorum may not be reduced under subsection (3) of this section unless:**

27 **(a) The meeting adjourned for a lack of quorum is adjourned to a date that is at least**
28 **48 hours from the time the original meeting was called; or**

29 **(b) The notice of the meeting adjourned for lack of quorum specifies:**

30 **(A) That the quorum requirement will be reduced if the meeting cannot be organized**
31 **because of a lack of a quorum; and**

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.

(B) The reduced quorum requirement.

(5) For the purpose of establishing a quorum under this section, an individual who holds a proxy and an absentee ballot, if absentee ballots are permitted, counts as a present owner.

SECTION 3. ORS 94.655 is amended to read:

94.655. (1) *[Unless the declaration or bylaws of a homeowners association specify a greater percentage, a quorum for any meeting of the association consists of the number of persons who are entitled to cast 20 percent of the votes in a planned community.]* **Except as provided in section 2 of this 2017 Act, a quorum for any meeting of a homeowners association consists of the greater of:**

(a) The number of persons who are entitled to cast the percentage of votes in the planned community specified in the declaration or bylaws of the planned community; or

(b) The number of persons who are entitled to cast 20 percent of the votes in the planned community.

(2) If any meeting of the association cannot be organized because of a lack of a quorum, the owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

(3) *[Except as provided in subsection (4) of this section, the quorum for a meeting following a meeting adjourned for lack of a quorum is the greater of]* **The quorum for a meeting that follows a meeting described in subsection (2) of this section consists of the greater of:**

(a) One-half of the quorum required in the declaration or bylaws; or

(b) The number of persons who are entitled to cast 20 percent of the votes in the planned community.

[(4) A quorum is not reduced under subsection (3) of this section unless:]

[(a) The meeting is adjourned to a date that is at least 48 hours from the time the original meeting was called; or]

[(b) The meeting notice specifies:]

[(A) That the quorum requirement will be reduced if the meeting cannot be organized because of a lack of a quorum; and]

[(B) The reduced quorum requirement.]

[(5)] **(4) For the purpose of establishing a quorum under this section, an individual who holds a proxy and an absentee ballot, if absentee ballots are permitted, counts as a present owner.**

SECTION 4. Section 5 of this 2017 Act is added to and made a part of ORS chapter 100.

SECTION 5. (1) **Except as provided in subsection (3) of this section, unless otherwise provided in the declaration or bylaws of the condominium, a quorum for any meeting of the association of unit owners of a condominium:**

(a) Recorded before October 3, 1979, consists of a majority of unit owners.

(b) Recorded on or after October 3, 1979, and before January 1, 2010, consists of the number of persons who are entitled to cast 20 percent of the votes in the condominium.

(2) If any meeting of an association of unit owners of a condominium described in subsection (1) of this section cannot be organized because of a lack of a quorum, the unit owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

(3) Subject to subsection (4) of this section, unless prohibited by the declaration or bylaws, the quorum for a meeting of an association following a meeting described in subsection (2) of this section consists of the greater of:

(a) The number of persons who are entitled to cast the percentage of votes in the con-

1 **dominium specified for a quorum reduction procedure in the declaration or bylaws of the**
 2 **condominium;**

3 **(b) One-half of the quorum required in the declaration or bylaws of the condominium;**
 4 **or**

5 **(c) The number of persons who are entitled to cast 20 percent of the votes in the con-**
 6 **dominium.**

7 **(4) A quorum may not be reduced under subsection (3) of this section unless:**

8 **(a) The meeting is adjourned to a date that is at least 48 hours from the date the original**
 9 **meeting was called; or**

10 **(b) The meeting notice specifies:**

11 **(A) The quorum requirement will be reduced if the meeting cannot be organized because**
 12 **of a lack of a quorum; and**

13 **(B) The reduced quorum requirement.**

14 **(5) For the purpose of establishing a quorum under this section, an individual who holds**
 15 **a proxy and an absentee ballot, if absentee ballots are permitted, counts as a present owner.**

16 **SECTION 6.** ORS 100.408 is amended to read:

17 100.408. (1) *[Unless the bylaws specify a greater percentage, a quorum for any meeting of the as-*
 18 *sociation of unit owners consists of the number of persons who are entitled to cast 20 percent of the*
 19 *voting rights.]* **Except as provided in section 5 of this 2017 Act, a quorum for any meeting of**
 20 **the association of unit owners of a condominium consists of the greater of:**

21 **(a) The number of persons who are entitled to cast the percentage of votes in the con-**
 22 **dominium specified in the declaration or bylaws of the condominium; or**

23 **(b) The number of persons who are entitled to cast 20 percent of the votes in the con-**
 24 **dominium.**

25 (2) If any meeting of the association of unit owners cannot be organized because of a lack of a
 26 quorum, the unit owners who are present, either in person or by proxy, may adjourn the meeting
 27 from time to time until a quorum is present.

28 (3) Subject to subsection (4) of this section, **unless prohibited by the declaration or bylaws,**
 29 **the quorum for a meeting [following] that follows** a meeting adjourned for lack of a quorum is the
 30 greater of:

31 (a) One-half of the quorum required in the bylaws; or

32 (b) The number of persons who are entitled to cast 20 percent of the votes in the association
 33 of unit owners.

34 *[(4) The quorum is not reduced under subsection (3) of this section unless:]*

35 *[(a) The meeting is adjourned to a date that is at least 48 hours from the date the original meeting*
 36 *was called; or]*

37 *[(b) The meeting notice specifies:]*

38 *[(A) The quorum requirement will be reduced if the meeting cannot be organized because of a lack*
 39 *of a quorum; and]*

40 *[(B) The reduced quorum requirement.]*

41 *[(5)]* **(4) For the purpose of establishing a quorum under this section, an individual who holds a**
 42 **proxy and an absentee ballot, if absentee ballots are permitted, counts as a present owner.**

43 **SECTION 7.** Sections 2 and 5 of this 2017 Act and the amendments to ORS 94.655 and
 44 **100.408 by sections 3 and 6 of this 2017 Act apply to meetings occurring on or after the ef-**
 45 **fective date of this 2017 Act.**

