

House Bill 2617

Sponsored by Representative HELM (Pre-session 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 owners in planned communities or condominiums to record open association meetings unless prohibited by declarations or bylaws.

A BILL FOR AN ACT

Relating to recording of association meetings; amending ORS 94.640 and 100.420.

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

SECTION 1. ORS 94.640 is amended to read:

94.640. (1) The board of directors of an association may act on behalf of the association except as limited by the declaration and the bylaws. In the performance of their duties, officers and members of the board of directors are governed by this section and the applicable provisions of ORS 65.357, 65.361, 65.367, 65.369 and 65.377, whether or not the association is incorporated under ORS chapter 65.

(2) Subject to subsection (7) of this section, unless otherwise provided in the bylaws, the board of directors may fill vacancies in its membership for the unexpired portion of any term.

(3) At least annually, the board of directors of an association shall review the insurance coverage of the association.

(4) The board of directors of the association annually shall cause to be filed the necessary income tax returns for the association.

(5) The board of directors of the association may record a statement of association information as provided in ORS 94.667.

(6)(a) Unless otherwise provided in the declaration or bylaws, at a meeting of the owners at which a quorum is present, the owners may remove a director from the board of directors, other than directors appointed by the declarant or individuals who are ex officio directors, with or without cause, by a majority vote of owners who are present and entitled to vote.

(b) Notwithstanding contrary provisions in the declaration or bylaws:

(A) Before a vote to remove a director, owners must give the director whose removal has been proposed an opportunity to be heard at the meeting.

(B) The owners must vote on the removal of each director whose removal is proposed as a separate question.

(C) Removal of a director by owners is effective only if the matter of removal was an item on the agenda and was stated in the notice of the meeting if notice is required under ORS 94.650.

(c) A director who is removed by the owners remains a director until a successor is elected by the owners or the vacancy is filled as provided in subsection (7) of this section.

(7) Unless the declaration or bylaws specifically prescribe a different procedure for filling a

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 vacancy created by the removal of a director by owners, the owners shall fill a vacancy created by
 2 the removal of a director by the owners at a meeting of owners. The notice of the meeting must
 3 state that filling a vacancy is an item on the agenda.

4 (8)(a) All meetings of the board of directors of the association shall be open to owners, except
 5 that at the discretion of the board, the board may close the meeting to owners other than board
 6 members and meet in executive session to:

7 (A) Consult with legal counsel.

8 (B) Consider the following:

9 (i) Personnel matters, including salary negotiations and employee discipline;

10 (ii) Negotiation of contracts with third parties; or

11 (iii) Collection of unpaid assessments.

12 (b) Except in the case of an emergency, the board of directors of an association shall vote in
 13 an open meeting whether to meet in executive session. If the board of directors votes to meet in
 14 executive session, the presiding officer of the board of directors shall state the general nature of the
 15 action to be considered and, as precisely as possible, when and under what circumstances the de-
 16 liberations can be disclosed to owners. The statement, motion or decision to meet in executive ses-
 17 sion must be included in the minutes of the meeting.

18 (c) A contract or an action considered in executive session does not become effective unless the
 19 board of directors, following the executive session, reconvenes in open meeting and votes on the
 20 contract or an action, which must be reasonably identified in the open meeting and included in the
 21 minutes.

22 **(d) Except as expressly limited by the declaration or bylaws, an owner may use an un-**
 23 **concealed recording device to record any open meeting by audio or video recording, retain**
 24 **the recording and transmit the recording to any other owner. The recording owner shall**
 25 **reasonably inform the meeting participants of the recording. Nothing in this paragraph re-**
 26 **quires an association to create, retain, copy or transmit audio or video records of any**
 27 **meeting.**

28 (9) The meeting and notice requirements in subsections (8) and (10) of this section may not be
 29 circumvented by chance or social meetings or by any other means.

30 (10) In a planned community in which the majority of the lots are the principal residences of the
 31 occupants, meetings of the board of directors must comply with the following:

32 (a) For other than emergency meetings, notice of board of directors' meetings shall be posted
 33 at a place or places on the property at least three days prior to the meeting or notice shall be
 34 provided by a method otherwise reasonably calculated to inform lot owners of such meetings;

35 (b) Emergency meetings may be held without notice, if the reason for the emergency is stated
 36 in the minutes of the meeting; and

37 (c) Only emergency meetings of the board of directors may be conducted by telephonic commu-
 38 nication or by the use of a means of communication that allows all members of the board of direc-
 39 tors participating to hear each other simultaneously or otherwise to be able to communicate during
 40 the meeting. A member of the board of directors participating in a meeting by this means is deemed
 41 to be present in person at the meeting.

42 (11) The board of directors, in the name of the association, shall maintain a current mailing
 43 address of the association.

44 (12) The board of directors shall cause the information required to enable the association to
 45 comply with ORS 94.670 (8) to be maintained and kept current.

1 (13) As used in this section, “meeting” means a convening of a quorum of members of the board
 2 of directors at which association business is discussed, except a convening of a quorum of members
 3 of the board of directors for the purpose of participating in litigation, mediation or arbitration pro-
 4 ceedings.

5 **SECTION 2.** ORS 100.420 is amended to read:

6 100.420. (1)(a) All meetings of the board of directors of the association of unit owners shall be
 7 open to unit owners except that, in the discretion of the board, the board may close the meeting to
 8 unit owners and meet in executive session to:

9 (A) Consult with legal counsel.

10 (B) Consider the following:

11 (i) Personnel matters, including salary negotiations and employee discipline;

12 (ii) Negotiation of contracts with third parties; or

13 (iii) Collection of unpaid assessments.

14 (b) Except in the case of an emergency, the board of directors of an association shall vote in
 15 an open meeting whether to meet in executive session. If the board of directors votes to meet in
 16 executive session, the presiding officer of the board of directors shall state the general nature of the
 17 action to be considered, as precisely as possible, when and under what circumstances the deliber-
 18 ations can be disclosed to owners. The statement, motion or decision to meet in executive session
 19 must be included in the minutes of the meeting.

20 (c) A contract or an action considered in executive session does not become effective unless the
 21 board of directors, following the executive session, reconvenes in open meeting and votes on the
 22 contract or action, which must be reasonably identified in the open meeting and included in the
 23 minutes.

24 **(d) Except as expressly limited by the declaration or bylaws, an owner may use an un-**
 25 **concealed recording device to record any open meeting by audio or video recording, retain**
 26 **the recording and transmit the recording to any other owner. The recording owner shall**
 27 **reasonably inform the meeting participants of the recording. Nothing in this paragraph re-**
 28 **quires an association to create, retain, copy or transmit audio or video records of any**
 29 **meeting.**

30 (2) The meeting and notice requirements in this section may not be circumvented by chance or
 31 social meetings or by any other means.

32 (3) Except as provided in subsection (4) of this section, board of directors’ meetings may be
 33 conducted by telephonic communication or by the use of a means of communication that allows all
 34 members of the board of directors participating to hear each other simultaneously or otherwise to
 35 be able to communicate during the meeting. A member of the board of directors participating in a
 36 meeting by this means is deemed to be present in person at the meeting.

37 (4) In condominiums where the majority of the units are the principal residences of the occu-
 38 pants, meetings of the board of directors shall comply with the following:

39 (a) For other than emergency meetings, notice of board of directors’ meetings shall be posted
 40 at a place or places on the property at least three days prior to the meeting or notice shall be
 41 provided by a method otherwise reasonably calculated to inform unit owners of such meetings.

42 (b) Only emergency meetings of the board of directors may be conducted by telephonic commu-
 43 nication or in a manner described in subsection (3) of this section.

44 (5) Subsection (4)(a) of this section first applies to property submitted to the provisions of this
 45 chapter prior to October 3, 1979, upon receipt by the board of directors of the association of unit

1 owners of a written request from at least one unit owner that notice of board of directors meetings
2 be given in accordance with subsection (4)(a) of this section.

3 (6) As used in this section, "meeting" means a convening of a quorum of members of the board
4 of directors at which association business is discussed, except a convening of a quorum of members
5 of the board of directors for the purpose of participating in litigation, mediation or arbitration pro-
6 ceedings.

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