

**Barbara Ruth Robbins**

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February 4, 2021

TO:

Chair Rep. Karin Power <https://www.oregonlegislature.gov/power>  
Vice-Chair Rep. Lisa Reynolds <https://www.oregonlegislature.gov/reynolds>  
Vice-Chair Rep. Jack Zika <https://www.oregonlegislature.gov/zika>  
Rep. John Lively <https://www.oregonlegislature.gov/lively>  
Rep. Courtney Neron <https://www.oregonlegislature.gov/neron>  
Rep. Sheri Schouten <https://www.oregonlegislature.gov/schouten>  
Rep Suzanne Weber <https://www.oregonlegislature.gov/weber>  
Rep. Boomer Wright <https://www.oregonlegislature.gov/wright>

RE: House Bill 2484

Thank you for providing this opportunity to speak on the merits of House Bill 2484. We all know that there is a crisis regarding availability of childcare. I read the proposed bill with great interest because I am a grandmother who struggled to find childcare for my two preschool grandsons about 11-12 years ago. I am also the owner of two small duplex rental properties in Oregon, so I have dual interests in this topic and in this particular proposed legislation.

Specifically, I am writing to draw your attention to the questions of liability insurance that proposed House Bill 2484 raises for the property owner/landlord, the tenant/childcare provider, and the parents of children placed in such a facility. Today, as a landlord without childcare on the premises, liability insurance is an important ethical and legal requirement to protect both my tenants and myself as a responsible property owner. With childcare on the premises, liability insurance becomes even more critical, but I see no mention of this requirement in the proposed bill. Both the rental property owner and the tenant-operator have an ethical responsibility to carry liability insurance with appropriate coverages.

I decided to research what would be available for me as the landlord of a commercial operation conducted in a residential area not zoned for commerce, and as property owner of residential rental property. When I questioned my insurance agent of 30 years, he regretfully told me that there was no policy in Oregon that would cover my rental property if that rental property included tenants' childcare. Imagine my shock when my agent told me that my property insurance policies, which I have carried since I purchased these properties, would be cancelled.

I appreciate that this is most likely an unintended consequence of legislation intended to address a serious social and community problem—lack of childcare facilities. I bring to your attention another unintended consequence: Mortgagees are required to maintain specific property insurance with specific coverages. With tenants' childcare operating on the premises of rental property, there is no policy available in Oregon that will meet these requirements.

Without that specific property insurance, mortgage holders will call any mortgage due and payable. Was this the intention of the Oregon Legislature?

I absolutely agree that the childcare issue is urgent. And I thank the Oregon Legislature for its willingness to tackle this difficult social problem. Sadly, my research suggests that the proposed legislation creates unanticipated serious problems for the owner of residential rental property. While I did not inquire about the coverages provided by renters' insurance, it seems unlikely that any renters' policy would include liability coverage for operating a childcare facility, which is essentially a commercial operation, in a rental residence.

I suggest that additional study is needed before legislation can be drafted. The need for childcare cannot be ignored, but the proposed solution ignores requirements to:

- safely operate a commercial venture,
- in a residential neighborhood,
- in a dwelling that was constructed for residential tenant occupancy and not designed for any commercial activity,
- and also meet the ethical and legal requirements for specific insurance coverages.

I believe solutions can be found when all parties who have a vested interest work together to explore possibilities and propose solutions.

Thank you for your time reading this, and for your thoughtful consideration.

Sincerely,

*Barbara Ruth Robbins*

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