

SB 503 A STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Meeting Dates: 4/18, 5/11

WHAT THE MEASURE DOES:

Removes, for planned communities, the unanimous consent requirement for changing the method of determining liability for common expenses or right to common profits.

FISCAL: No fiscal impact

REVENUE: No revenue impact

SENATE VOTE: 17-12

ISSUES DISCUSSED:

- Potential consequences of removing unanimous consent requirements
- Whether other states have addressed unanimous consent requirements in homeowners association law
- Applicability of measure to condominiums

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Planned communities, as defined by Oregon law chapter 94, include any subdivision resulting in a pattern of ownership of real property and the buildings and improvements in which owners are collectively responsible for maintenance, operation, insurance, or other expenses relating to the property. Condominiums, exclusively commercial and industrial subdivisions, and timeshare plans are excluded from the definition of planned community under this chapter, though condominiums, organized under ORS chapter 100, or timeshare plans, may be established within a planned community. Governing documents for planned communities include provisions relating to common ownership and maintenance of the community, and are binding upon the community's lots.

ORS 94.590 describes the process for the amendment of a planned community's declaration, generally requiring approval by 75 percent of owners -- or a larger percentage, if specified by that particular planned community's declaration. This section of state law requires unanimous consent of all affected lots or units of a community that considers any changes to lot boundaries, lot uses, voting rights, or the method of determining liability for common expenses or the right to common profits.

Senate Bill 503 A removes, for planned communities, the requirement of unanimous consent by owners of affected lots or units when changing the method of determining liability for common expenses or rights to common profits.