HB 3545 -1 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

Prepared By: Iva Sokolovska, LPRO Analyst
Meeting Dates: 3/17

WHAT THE MEASURE DOES:
This measure temporarily exempts properties managed by homeowners associations or condominium associations from certain fees or assessments while they are owned by a county.

Detailed Summary:

Defines "subject property" as property that is subject to assessment by a homeowners association or an association of unit owners.

Exempts subject property from assessment for the period that begins on the date on which subject property is deeded to a county and ends on the earliest of:
- the date on which the county transfers title to the property to another owner;
- the date on which the county enters into a lease agreement for the property;
- the date on which the county determines that it will retain title to the property; or
- the date that is six months following the date on which the subject property was deeded to the county.

Applies to subject property deeded to a county after the effective date of the measure.

Takes effect on 91st day following adjournment sine die.

Fiscal impact: May have fiscal impact, but no statement yet issued
Revenue impact: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:
-1 Extends exemption period to one year before assessments can resume.

Specifies that the exemption ends when the county permanently retains the title.

Clarifies that if the exemption ends due to the one-year limit:
- Assessments will start accruing after that date.
- The liability for these assessments will fall on:
  - the new owner if the property is sold, or
  - the county if it leases the property or permanently retains it.

Applies to properties the county already owns as of the effective date.

States that for properties the county already holds as of the effective date, the assessment accrual period begins immediately on the effective date unless:
- the county has leased the property, or
- the county has decided to permanently retain the property.

BACKGROUND:
"Assessment" means:
- any charge imposed or levied by a homeowners association (HOAs) on or against an owner or lot pursuant to

the provisions of the declaration or the bylaws of the planned community (ORS 94.550).

- any charge imposed or levied by the association of unit owners on or against a unit owner or unit pursuant to provisions of the declaration or the bylaws of the condominium or provisions of this chapter (ORS 100.005).

Property assessments refer to the fees or dues that property owners must pay to cover shared expenses. These fees help maintain common areas (like parks, roads, and clubhouses), provide services (such as trash collection and security), and fund necessary repairs or improvements within the community. Property assessments typically remain tied to the property itself rather than the individual owner. This means that when a property changes ownership—whether through sale, foreclosure, or transfer—the obligation to pay assessments usually transfers to the new owner. HOAs rely on these assessments to fund their operations, so they continue to apply regardless of who holds the title.

Counties in Oregon may take ownership of properties for several reasons. These transfers often happen involuntarily, meaning the county does not seek to acquire the property but becomes responsible for it due to legal or financial circumstances. If a property owner fails to pay property taxes for an extended period, the county can foreclose on the property and take ownership to recover unpaid taxes. Counties typically sell these properties at auction, but until they do, they are responsible for managing them. Properties that are abandoned or in serious disrepair may be taken over by the county for health, safety, or community revitalization purposes. Local governments may seize such properties to prevent hazards like fire risks, vandalism, or illegal activity. A county may acquire private property for public projects (e.g., road expansion, parks, government buildings) through eminent domain or negotiated purchases. In some cases, properties become county-owned through legal settlements, probate (when an owner dies without heirs), or donation. When a county acquires a property, it often inherits financial obligations associated with it—including HOA assessments, maintenance costs, and potential liens.