HB 3545 A STAFF MEASURE SUMMARY

Carrier: Rep. Javadi

House Committee On Housing and Homelessness

Action Date:	04/09/25
Action:	Do pass with amendments. (Printed A-Eng.)
Vote:	11-0-1-0
Yeas:	11 - Andersen, Breese-Iverson, Dobson, Edwards, Fragala, Gamba, Javadi, Levy E, Mannix, Marsh, Sosa
Exc:	1 - Helfrich
Fiscal:	Has minimal fiscal impact
Revenue:	No revenue impact
Prepared By:	Iva Sokolovska, LPRO Analyst
Meeting Dates:	3/17, 4/9

WHAT THE MEASURE DOES:

This measure requires that homeowner or condominium association assessments start accruing on any property deeded to a county beginning on the date the county receives the deed, with these assessments becoming a lien on the property. If the county later sells the property, the new owner must pay off the lien; if the county keeps or leases the property, the county must clear it.

Detailed Summary:

- Starts assessments accrual for subject properties deeded to county from the date the property is deeded to the county, until the county sells the property to another owner, enters into a lease agreement for the property, or decides to keep the property permanently.
- Permits accrued assessments to give rise to a lien against the subject property.
- Clarifies that lien does not include any costs or fee increases for payment of a fine, penalty, settlement or attorney fees that are the result of a violation of local, state, or federal law by the association that imposes the assessments.
- Requires new owner clear the lien at the time of the transfer if a country sells subject property.
- Establishes county is liable for the lien if the county leases or retains the property and directs county to clear the lien no later than 30 days following the date it enters into a lease agreement or determines that it will permanently retain title to the subject property.
- Permits association to record this lien and requires it notify the county about the accruing assessments in line with its regular dues schedule.
- Clarifies that lien is created, recorded, and enforced if the property was transferred to the county because of a tax foreclosure.
- Applies to property deeded to the county after the measure's effective date, for property already held by the county the assessments start accruing from the effective date unless the county had already decided to lease or retain the property before that date.
- Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Options for counties for foreclosed properties after one year of not finding an alternative owner
- Responsibility for the accrued homeowners associations (HOA) fees after property is sold
- Accrued HOA fees before county takes position of property and liens
- Options for properties that are not sold for very long periods and incentives for potential new owners
- Liability for counties for properties that are not sold
- Building in risk when creating a HOA

EFFECT OF AMENDMENT:

The amendment sets up a process for how certain association assessments continue to accrue and become a lien on property that a county acquires.

Detailed Summary:

Modifies “subject property” definition.

Modifies provisions on exemptions from assessment for subject properties deeded to counties.

Starts assessments accrual from the date the property is deeded to the county until the county
- sells the property to another owner,
- enters into a lease agreement for the property, or
- decides to keep the property permanently.

Permits accrued assessments to give rise to a lien against the subject property.

Clarifies that lien does not include any costs or fee increases for payment of a fine, penalty, settlement, or attorney fees that are the result of a violation of local, state, or federal law by the association that imposes the assessments.

Requires new owner clear the lien at the time of the transfer if a country sells subject property.

Establishes that county is liable for the lien if the county leases or retains the property and directs county to clear the lien no later than 30 days following the date it enters into a lease agreement or determines that it will permanently retain title to the subject property.

Permits association to record this lien and requires it notify the county about the accruing assessments in line with its regular dues schedule.

Clarifies that lien is created, recorded, and enforced if the property was transferred to the county because of a tax foreclosure.

Applies to property deeded to the county after the measure’s effective date. For property already held by the county, the assessments start accruing from the effective date unless the county had already decided to lease or retain the property before that date.

BACKGROUND:

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. Oregon statute (ORS 94.550 and ORS 100.005) permits a HOA to impose or levy an assessment against an owner in accordance with the bylaws of the planned community. 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.