

A-Engrossed Senate Bill 829

Ordered by the Senate April 15
Including Senate Amendments dated April 15

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Tina Kotek for Department of Consumer and Business Services)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Tells a state agency to do a program to help make it easier for people who own or run affordable housing to pay insurance premiums. Sets up a fund for the program. Tells the agency to find ways to support stable prices for insurance for affordable housing. (Flesch Readability Score: 63.1).

[Digest: Tells the state agency that deals with consumers and business to do a study about more affordable housing. Tells the department to report the results of the study to legislators on a committee that deals with housing. Lets the department suggest new laws. Gets rid of the bill at the end of 2026. (Flesch Readability Score: 60.8).]

[Requires the Department of Consumer and Business Services to study affordable housing. Directs the department to submit findings to the interim committees of the Legislative Assembly related to housing not later than September 15, 2026.]

Requires the Department of Consumer and Business Services to establish a program to assist eligible entities in paying the costs of property insurance or liability insurance premiums for affordable housing, shelters and other facilities. Specifies requirements for eligibility for the program. Requires the department to report to an interim committee of the Legislative Assembly related to housing not later than December 15 of each year.

Establishes the Affordable Housing Premium Assistance Fund and continuously appropriates moneys in the fund to the department to implement the department's program.

Requires the department to study the feasibility of creating and operating a state reinsurance program or devising another solution to support price stability in the market for insurance to cover affordable housing.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

Relating to affordable housing; creating new provisions; amending ORS 735.410; and declaring an emergency.

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

SECTION 1. (1) As used in this section:

(a) "Eligible entity" means a public, private or nonprofit entity that pays insurance premiums for property insurance that covers losses on eligible property the entity owns or operates.

(b) "Eligible property" means:

(A) Affordable housing, as defined in ORS 197A.445, that is subject to regulation under the laws of this state;

(B) A shelter facility;

(C) A Project Turnkey site; and

(D) A navigation center.

(2) The Department of Consumer and Business Services shall establish a program to as-

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 sist eligible entities in paying the costs of property insurance or liability insurance premiums
2 for eligible property that the eligible entities own or operate. The program:

3 (a) Must require an eligible entity to purchase and maintain property insurance and li-
4 ability insurance that covers a loss or liability on eligible property;

5 (b) May make payments only for a portion of the premium that an eligible entity pays for
6 property insurance or liability insurance that covers a loss or liability on eligible property;

7 (c) Must operate in the form of an offset payable to an eligible entity after the eligible
8 entity pays the premium for the property insurance or liability insurance to an insurer,
9 which may include a surplus lines insurer; and

10 (d) Must otherwise conform with rules adopted under subsection (3) of this section.

11 (3) The Department of Consumer and Business Services, in consultation with the Housing
12 and Community Services Department, shall adopt rules necessary to carry out the provisions
13 of this section, which include, but are not limited to, rules that:

14 (a) Specify criteria for becoming an eligible entity;

15 (b) Establish an application process for participation in the program described in sub-
16 section (2) of this section;

17 (c) Specify the amount, manner and frequency of payments to eligible entities;

18 (d) Specify criteria for prioritizing payments among eligible entities;

19 (e) Establish a wait list or other allocation method for eligible entities with lower prior-
20 ity; and

21 (f) Specify appropriate metrics for measuring the success of the program described in
22 subsection (2) of this section at increasing property and liability insurance coverage for eli-
23 gible property and the affordability of property and liability insurance for eligible entities.

24 (4) The Department of Consumer and Business Services not later than December 15 of
25 each year shall submit a report in the manner provided in ORS 192.245 to an interim com-
26 mittee of the Legislative Assembly related to housing. The report must describe the success
27 of the program described in subsection (2) of this section, using the metrics described in
28 subsection (3)(f) of this section.

29 **SECTION 2.** (1) The Affordable Housing Premium Assistance Fund is established within
30 the State Treasury, separate and distinct from the General Fund. Moneys in the Affordable
31 Housing Premium Assistance Fund may be invested in the same manner as other state
32 moneys and interest earned on the moneys must be credited to the fund. The Affordable
33 Housing Premium Assistance Fund consists of moneys appropriated or transferred to the
34 fund by the Legislative Assembly and all moneys otherwise credited to the fund. Moneys in
35 the fund are continuously appropriated to the Department of Consumer and Business Ser-
36 vices to carry out the purposes specified in section 1 of this 2025 Act.

37 (2) The department shall keep a record of all moneys deposited in the Affordable Housing
38 Premium Assistance Fund that shall indicate by separate account the source from which the
39 moneys are derived, the interest earned and the activity or program against which any
40 withdrawal is charged. The department may pay the department's administrative expenses
41 for the program described in section 1 of this 2025 Act from moneys in the Affordable
42 Housing Premium Assistance Fund.

43 (3) The state shall pay solely from the Affordable Housing Premium Assistance Fund and
44 not from any other fund or source all payments authorized under the program described in
45 section 1 of this 2025 Act and all other claims against the department for moneys due under

or in connection with the program. The state's liability for payments or claims under or in connection with the program is limited to the amount of the moneys in the Affordable Housing Premium Assistance Fund.

SECTION 3. (1) The Department of Consumer and Business Services shall study:

(a) The feasibility of creating and operating a state reinsurance program or devising another solution to support price stability in the market for insurance to cover affordable housing, as defined in ORS 197A.445, multifamily housing and other residences in this state; and

(b) Known commercial, surplus lines and Oregon FAIR Plan Association coverages and product offerings available for purchase in the insurance market.

(2) The department not later than December 15 of each year shall submit a report in the manner provided in ORS 192.245 to an interim committee of the Legislative Assembly related to housing and homelessness. The report must describe and summarize the department's progress on, and the results or interim results of, the study described in subsection (1) of this section.

SECTION 4. There is appropriated to the Department of Consumer and Business Services, for the biennium beginning July 1, 2025, out of the General Fund, the amount of \$5,000,000 for deposit into the Affordable Housing Premium Assistance Fund established in section 2 of this 2025 Act, for the purpose of carrying out the provisions of section 1 of this 2025 Act.

SECTION 5. ORS 735.410 is amended to read:

735.410. (1) Insurance may be procured through a surplus lines licensee from a nonadmitted insurer if:

(a) The insurer is an eligible surplus lines insurer;

(b) A diligent search has first been made among the insurers who are authorized to transact and are actually writing the particular kind and class of insurance in this state, and it is determined that the full amount or kind of insurance cannot be obtained from those insurers; and

(c) All other requirements of ORS 735.400 to 735.495 are met.

(2) Subsection (1)(b) of this section does not apply to a surplus lines licensee seeking to procure or place nonadmitted insurance in this state for an exempt commercial purchaser if:

(a) The surplus lines licensee procuring or placing the surplus lines insurance has disclosed to the exempt commercial purchaser that such insurance may or may not be available from the admitted market that may provide greater protection with more regulatory oversight; and

(b) The exempt commercial purchaser has subsequently requested in writing that the surplus lines licensee procure or place such insurance from a nonadmitted insurer.

(3) The Director of the Department of Consumer and Business Services by rule may establish requirements applicable to the placement of surplus lines insurance on Oregon home state risks by a nonresident surplus lines licensee. The rules may not interfere with or hinder implementation of the federal Gramm-Leach-Bliley Act (P.L. 106-102) with respect to licensing reciprocity among the states, or the Nonadmitted and Reinsurance Reform Act of 2010 (P.L. 111-203, Title V, Subtitle B).

(4)(a) The director, in consultation with the Surplus Line Association of Oregon, or a successor, may publish a list of insurance coverages that are generally unavailable in the authorized insurance market for covering affordable housing in this state.

(b) Notwithstanding the requirement for a diligent search described in subsection (1)(b) of this section, an insurance producer or agent may place a coverage included on the list

1 described in paragraph (a) of this subsection directly with a surplus lines insurer without
2 first searching for an authorized insurer with which to place the coverage.

3 SECTION 6. Sections 1, 2 and 3 of this 2025 Act are repealed on December 31, 2028.

4 SECTION 7. This 2025 Act being necessary for the immediate preservation of the public
5 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect
6 on its passage.

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