

**OUTLINE OF CHANGES TO
PLANNED COMMUNITY ACT AND OREGON CONDOMINIUM ACT**

**2011 - GENERAL SESSION
HB 3317 – signed by Governor June 28, 2011
Effective January 1, 2012**

1. Transfer and Acquisition of Special Rights.

- Conforms ORS 94.622 and 94.623 to ORS 100.220 and 100.225
In ORS 94.623, the term “the lot” or “a lot” was used when the corollary to the OCA (ORS) 100.225) should have been “the planned community.”
- Amends 94.622(2)(b) and ORS 100.220(2)(b) to clarify that the joint and several liabilities of successor declarant under the section relate to the special declarant rights.
ORS 94.622 (Sec. 1); ORS 94.623 (Sec. 2); ORS 100.220 (Sec.8)

2. Removal of Directors by Owners.

- Provides when owners remove a director, owners fill the vacancy, unless the governing documents specifically prescribe a different procedure.
- Provides notwithstanding a contrary provision in the declaration or bylaws:
 - ✓ Any director whose removal has been proposed by the owners must be given an opportunity to be heard at the meeting.
 - ✓ A vote to remove a director must provide an opportunity for owners to vote separately for or against each director whose removal is proposed.
 - ✓ Removal of a director is effective only if the matter of removal was an item on the agenda and was stated in the notice of the meeting.
- Provides requirements for notice of meeting, filling of a vacancy and other related procedural matters.
ORS 94.640 (Sec. 3) / ORS 100.417 (Sec. 11)

3. Meetings of Board in Executive Session. Clarifies that the board may meet in executive session for any of the purposes stated in ORS 94.640 or 100.420.
ORS 94.640 (Sec. 3) / ORS 100.420 (Sec. 12)

4. Reduction of Quorum. Corrects the quorum requirement when quorum is reduced. The current law states the reduced quorum requirement is 20 percent of the votes present at the meeting. It should provide that the requirement is persons holding 20 percent of the total votes.
ORS 94.655 (Sec. 4) / ORS 100.408 (Sec. 10)

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5. **Procedure for Lender Approval for Actions: Conforms to Fannie Mae and FHA Requirements.** Provides a procedure to obtain lender approval when lender consent or approval is required for actions by owners, unless other procedure is specified in documents or statute. Procedure conforms to procedure currently required by Fannie Mae and FHA.

New: Sec. 6 / Sec. 15

6. **Easement over Limited Common Elements.**

- Amends ORS 100.405(8) to provide when the use of a limited common element is reserved for five or more units, an easement (lease, license, etc.) may be granted over the limited common element:
 - ✓ When the use is for more than two years, with the consent or approval of the owners of 75 percent of the units to which the limited common element is reserved.
 - ✓ When the use is for two years or less, with the consent or approval of the owners of a majority of the units to which the limited common element is reserved.
- Provides requirements for the instrument granting the interest or consent.
ORS 100.405 (Sec. 9)

7. **Approval to Change Appearance of Unit (Maintenance and Improvement of Units).** Permits the board to impose conditions of approval, notwithstanding other provisions of the declaration or bylaws. Example, expansion of patio/deck, screen doors, skylights and fences.

ORS 100.535 (Sec. 13)

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