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May 5, 2025

Oregon House of Representatives
Committee on Housing and Homelessness
By Electronic Submission

RE: HB 3746 – Rebuttal Testimony

Dear Chair Pham, Vice-Chair Anderson, and members of the Committee:

Like many of the opponents of this bill, I was not permitted to testify at the hearing on May 5, 2025. I submitted written testimony following an earlier hearing on this bill before the House Committee on Housing and Homelessness. I offer my previous written testimony and the following points in rebuttal to the extensive presentation that this Committee allowed the proponents of the bill to make at the May 5th hearing.

Mark McMullen testified that Oregon's 10 year statute of repose is an outlier. That's flat wrong. Oregon's current law is not an outlier. 28 states have 10 year statutes of repose for construction defect claims. Other states, such as Texas, have had condominium construction booms in recent years despite having 10 year statutes of repose, and there's no data showing that more affordable condos are built in states with shorter statutes of repose.

This bill is not a "pathway to wealth generation." It's a road to financial ruin for condo owners. HOA board members, homeowners, and community managers have testified that first-time condominium and townhome owners often have to pay tens of thousands of dollars in special assessments to repair construction defects that are not discovered within the current 10 year statute of repose. Shortening the period for holding developers accountable will make the situation far worse.

Washington mandates comprehensive inspections by the developer during construction. Oregon doesn't, and contrary to what Sen. Meek told you, this bill does not require any sort of inspections by the developer. It only requires the developer to provide a report describing any inspections that it may have done. The Homebuilders Association and the other proponents of the bill have steadfastly refused to amend the bill in order to impose building envelope inspection requirements during construction.

Architects, engineers, and construction consultants who inspect these buildings, and the restoration contractors who specialize in repairing construction defects have all testified that many defects aren't

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discovered, and often won't be discovered within 7 years, even with the inspections that this bill requires associations to perform.

Maybe financial ruin for some homeowners would be worth it if the result was a building boom that alleviated Oregon's housing crisis, but we know that's not going to happen based on the experience of other states like Colorado and Nevada, that are building few condos than ever, despite adopting virtually identical legislation.

Depriving owners of their rights just so developers can cut a few corners and realtors can make a few extra commissions is not a solution.

Sincerely,



Michael J. Vial
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