

Testimony in Opposition to HB 3746

May 5, 2025, Hearing

Eric Jackson, President

Charter Construction, LLC

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

I am here to communicate my support for retaining Oregon's current 10-year statute of repose for construction defect claims.

I am a general contractor and my company, Charter Construction, has been building and restoring homes in the Pacific NW for forty-two years. Twenty of those years have been in Oregon. As a general contractor we have never hesitated to perform work in Oregon because of the current 10-year statute, but we have seen first-hand the financial and emotional impact construction defects has on our clients, specifically homeowners who live in community associations.

For the majority of people, their home is their single most valuable asset, and the discovery of construction defects, compounded by the damages that those defective conditions manifest, is devastating for homeowners.

Over Charter's forty plus years of experience, we have worked with hundreds of community associations and thousands of homeowners whose homes have been negatively impacted by construction defects. In addition to their current mortgages and monthly reserve payments, these homeowners are faced with the daunting task of acquiring loans, sometimes amounting to tens of thousands, to cover unforeseen costs due to construction defects to repair their homes.

Repair scopes include removal and replacement of roofing, siding, decks, windows and doors to chase water intrusion, repair structural framing impacted by dry rot and to remove microbial growth from exterior and interior wall assemblies that were improperly constructed during original construction. To compound things, most homeowners do not have the means to move out of their homes during these repairs, so most of these repairs are performed while homes are fully occupied leading to higher repair costs and distress for these homeowners.

Unfortunately, defective construction details continue to be common. The pressure to build faster and cheaper, an aging and shrinking skilled work force, and overwhelmed building inspectors have only compounded this on-going crisis. After a building achieves a certificate of occupancy a building will look great on the outside, but if the weather barrier assembly behind the exterior siding is installed incorrectly damages will silently manifest themselves between the exterior and interior finishes and it can take 6-10 years for the resultant damage of those hidden defective details to reveal themselves to homeowners.

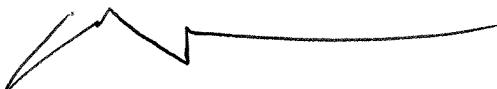
The 10 year statute enforces accountability for developers, contractors, and subcontractors to adopt and practice strong construction means and methods and incentivizes them to work with reputable architects, engineers and consultants to design, inspect and ultimately build healthy homes free of defective construction details that result expensive future damages.

In summary:

1. The current 10-year statute enforces accountability for developers, contractors and subcontractors to adopt strong construction means and methods practices and collaboration with building consultants to build high quality homes.
2. Most construction defects that result in litigation are latent, in the sense that they often do not manifest until after 6 years.
3. The cost to repair damage caused by latent defects often runs into the tens of thousands of dollars per home.
4. Responsible builders/developers already adopt strong means and methods to perform healthy construction practices, and they hire 3rd party building assembly experts to do inspections during construction.
5. Performing inspections during construction and hiring 3rd party consultants to assist with these inspections are a cheaper and more reliable way of preventing defects and construction defect litigation.

For these reasons, I urge this committee to oppose HB 3746. This bill will reduce developer, contractor and subcontractor accountability and it will have a negative monetary impact on Oregon homeowners.

Sincerely and with Respect,



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