

Summary of the A8 Consensus Amendments to HB 4038A

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The 4038 A8 amendments are agreed to by all the interested parties. Note that LC has done a "gut and stuff" of Sections 1 and 2 of the bill to implement these amendments, because of the many small changes implementing the tenant-committee change discussed in #2 below:

1. Inclusion of LLC's in the exemptions from the process (Section 4)

- Add a new (e) to the list of exemptions in Section 4 of the bill on page 4, lines 1-15: "Any sale or transfer of an interest in a limited liability company to any of the limited liability company's members."
- *Note: This change is simply to exempt a transfer/sale within an LLC, from one LLC member to another, as we already provide for with partnerships and corporations.*

2. Establishment & identification of a single tenants committee (Section 1 (4) and Section 2 (1))

- Provide that in order for the tenants to have an opportunity to compete to purchase the park, during the first 10-day period after the owner's notice of interest in selling, the tenants must "form a tenants committee" if none already exists, for the purpose of purchasing the park, and that there can be only one (1) tenants committee eligible to participate in the process and request financial information. This change is made in Section (1) (4) regarding the owner's notice to the tenants and in Section 2 (1) regarding the tenants' duties during the initial 10-day period.
- *Note: Practically speaking, that's the way this would have to work anyway, in order for tenants to be able to seek funding and engage in negotiations with an owner. And our experience is that there are not more than one of these efforts among the tenants anyway. Committees are not defined, and are informal groups of people; a "tenant committee" could be two tenants who are interested in exploring the possibility of purchasing the park. This change minimizes the risk to owners of multiple contacts and requests from multiple tenants. The A8 amendments make other related changes to the bill to implement this second change.*

3. Removal of the emergency clause. The new effective date will be January 1, 2015. (Section 20)