

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	7 - 0 - 1
<b>Yeas:</b>	Clem, Matthews, Sheehan, Smith J., Weidner, Holvey, Whisnant
<b>Nays:</b>	0
<b>Exc.:</b>	Cameron
<b>Prepared By:</b>	Jan Nordlund, Administrator
<b>Meeting Dates:</b>	2/3, 2/8, 2/10

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**WHAT THE MEASURE DOES:** Establishes minimum sales price based on specified factors when local government sells real property to collect unpaid liens for final assessments for local improvements. Specifies process to sell property if first offer did not result in sale. Deletes statutory requirement that address of persons be included on first page of instruments recorded with county clerk. Declares an emergency, effective on passage.

**ISSUES DISCUSSED:**

- Struggle of homeowners who are land rich and cash poor
- Assessments for street improvements and sidewalk improvements
- Current law limiting property to be sold only for amount of final assessment
- Local government desire for fair and expedient process to foreclose
- Amendment to statute requiring name and address on first page of instruments recorded

**EFFECT OF COMMITTEE AMENDMENT:** Establishes different minimum sales price. Specifies how proceeds of sale shall be applied. Specifies process to offer property for sale again if first offer did not result in a sale. Deletes statutory requirement that address of persons be included on first page of instruments recorded with county clerk, which includes liens and all instruments recorded with county clerks.

**BACKGROUND:** Under current law, each piece or tract of land is separately sold for an amount equal to the unpaid lien or final assessment for the local improvement. The land could be worth much more, but it cannot be sold at the higher market price.

House Bill 4111-A allows each unit of land or tract to be sold for an amount equal to or exceeding the greater of:

- Amount of unpaid final assessment plus interest, penalties, and cost of the sale, or
- Seventy-five percent of the total assessed value determined by the county assessor plus interest, penalties, and cost of the sale.

The sale will be made to the highest bidder, as long as the minimum sales price is satisfied. Any money remaining after paying the costs of conducting the sale, satisfying the unpaid final assessment plus interest and penalties, and paying persons with recorded liens will go to the debtor or the debtor's heirs.

If the first offer does not result in sale, it may be offered for sale no sooner than three months after the expiration of any sale. However, if the assessment was for the opening, widening, laying out or establishing of a street, the second sale may occur immediately. This is the current process used for selling property to satisfy a lien on a final assessment for local improvement found in ORS 223.560.

2/13/2012 4:18:00 PM

*This summary has not been adopted or officially endorsed by action of the committee.*