

HB 3116 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

Prepared By: Amie FenderSosa, LPRO Analyst

Sub-Referral To: House Committee On Revenue

Meeting Dates: 3/18, 3/25, 4/3, 4/8

WHAT THE MEASURE DOES:

Adds to list of required uses of proceeds from sales of foreclosed properties, for counties with a population of 650,000 or more, a requirement to repay properly noticed local government liens against such properties for utilities improvements or seismic rehabilitation. Clarifies priority of required uses of proceeds from sale of foreclosed properties. Declares emergency, effective on passage.

Fiscal impact issued

ISSUES DISCUSSED:

- Impact on Multnomah County's Commercial Property Assessed Clean Energy Program
- Property equity that is leftover after sale and back-taxes, penalties and other fees are paid
- Constitutionality of measure

EFFECT OF AMENDMENT:

[-1 amendment, dated 03.22.19] Replaces reference to city and county, with reference to definition of local governments. Restores language to repeat, that reimbursement may not exceed tax actually paid or costs and expenses actually incurred.

BACKGROUND:

Current law requires counties to use proceeds from sales of foreclosed properties to pay delinquent taxes; corresponding penalties and fees; and costs and expenses for property maintenance and related legal actions. If the county has a population of at least 650,000, proceeds from the sale of properties that are foreclosed due to delinquent taxes are also required to be used to fund certain housing assistance for youth and families with children. Multnomah County is currently the only county in Oregon with a population over 650,000.

House Bill 3116 adds to the list of required uses of proceeds from the sale of foreclosed properties, for counties with a population of 650,000 or more, a requirement to repay properly noticed local government liens against such properties for utilities improvements or seismic rehabilitation. The measure also makes explicit, the priority of required uses of proceeds from the sale of foreclosed properties.