



LANE COUNTY BOARD OF COMMISSIONERS

Heather Buch
Ryan Ceniga
Pat Farr
David Loveall
Laurie Trieger

DATE: February 15, 2024
TO: House Committee on Revenue
FROM: Laurie Trieger, Chair, Board of Commissioners
RE: House Bill 4056, relating to property tax foreclosure surplus

Chair Nathanson, Vice Chairs Reschke and Walters, and members of the Revenue Committee:

The Lane County Board of Commissioners adopted a series of Legislative Priorities in advance of the 2024 Legislative Assembly, including:

- Address the outcomes of *Tyler v Hennepin County* such that Oregon law establishes claim timeframes and excess value distributions.

HB 4056 is aligned with this principle, and for this reason, we are supportive of HB 4056 and the dash 1 amendment. We ask that the Committee schedule this bill for a work session to move it to the floor of the House with a DO PASS recommendation.

We appreciate that Representative Conrad sponsored this measure, as all of Oregon's 36 counties are impacted by a unanimous US Supreme Court decision in May, 2023, which overturned the decisions of two lower courts. Central to the decision was the Fifth Amendment's Taking Clause. The Court determined that while Hennepin County, Minnesota could foreclose on a property that owed property taxes, the County erred in keeping the excess revenue from the sale of that property, some \$25,000. Minnesota, like Oregon, has state laws that allow government to keep equity beyond the amount of debt owed.

Lane County manages tax foreclosures in accordance with existing law. At any given time, we have approximately 50 properties subject to foreclosure law, the majority of which get resolved prior to an actual foreclosure sale. Our normal practice is to ensure that homeowners keep (or re-purchase) their homes, but in some cases, it is just not possible. Excess revenue from those property sales is distributed to taxing districts, or in some cases we are able to transfer properties to non-profit organizations for beneficial uses. HB 4056 will establish a process for bonafide owners to recoup excess revenues and was narrowly tailored to comply with the Supreme Court's decision. It establishes a uniform process that will not require former owners to hire an attorney, and ensures counties publicize that property owners do have post-foreclosure sale rights, and can file a claim for revenues that may exist after the county's costs for maintaining properties are covered.

We want to thank both the House Revenue Committee and the Senate and House Judiciary Committees for holding informational hearings on this issue since the decision from the Supreme Court. Those hearings helped inform members of the Legislature and the public about the need for a uniform claims process, and we are confident HB 4056 will create an equitable solution for both past and future claimants.

ELECTRONICALLY SUBMITTED BY ALEX CUYLER, LANE COUNTY INTERGOVERNMENTAL
RELATIONS MANAGER