



House Committee on Revenue

**Testimony on HB 4056**

Andrea Meyer, Director of Government Relations

February 15, 2024

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With over 500,000 members in Oregon, AARP works to strengthen communities and advocate for what matters most to families, with a focus on health security, financial resilience, and livable communities. This includes educating and protecting older Oregonians against fraud and supporting legislation that advances important consumer protections.

Along with the National Consumer Law Center, AARP Foundation filed an amicus brief in the United States Supreme Court support of Ms. Tyler. We applaud the court's decision in protecting the equity of homeowners.

Nearly 80% of older adults over the age of 65 own their own homes. And many that is often their most valuable financial asset, representing a lifetime of hard work. The consequences for older Oregonians cannot be overstated, especially as they have higher rates of physical and cognitive disabilities and are more likely to live on modest, fixed incomes, which makes it easier for them to become victims of tax foreclosures.

We appreciate the work Rep. Conrad has done this week to engage us all the stakeholders to address the concerns. And we agree that the law needs to be updated. While we support the government's need secure and collected unpaid taxes, we need to craft a law that balances all interests, most especially centered on some of the most vulnerable consumers who do not understand complicated tax lien and foreclosure processes.

The legal issues at play here are complicated and I want to express appreciation for some of the changes but at this point, there are significant unresolved issues that need to be addressed and frankly we just do not believe that the timing of the short session adequately allows for all the right stakeholders to be engaged.

The impact of property tax liens is especially harsh for heirs who inherit property without a will or who have not yet gone through probate. Older Oregonians and BIPOC communities are disproportionately affected by heirs' property issues. Unfortunately, probate can be a very expensive and time consuming process. The heir of the deceased owner may now own the home but if their name is not on the deed, they are not the record owners of the property. As

such, it is imperative that any legislation seeking to ensure that property owners have access to any excess surplus from a property tax sale should include access by a deceased owner's heirs.

We appreciate in section 2 that heirs are included as a claimant but it is limited by including the requirement that they acquire substantially all of the former owner's "assets by merger, dissolution or takeover."

Section 3 has language requiring the heir to identify each beneficiary of the claim, the proportion of the surplus distributable to each beneficiary and signatures of all. This can be burdensome for heirs who have inherited property over multiple generations and do not know the names or contact information for all the heirs.

We also have significant concerns about Section 4 and the language around bone fide purchasers and what assurances that still requires fair market value, when, who and how appraisals are done to determine current fair market value and the possible use of the tax statement to determine value of the property.

We appreciate the improvement on notice but it still does not have the necessary protections and details to ensure meaningful notice as well as in considering non-English speakers.

Along with other stakeholders, we stand ready during the interim to address the complicated legal issues properly. We do not support a piecemeal effort, indeed that would be legally problematic. Passing laws today that need to be amended by the next session does not give the counties or property owners the legal protections they need, instead potentially raising new legal problems that have to be dealt with by the courts.