



LANE COUNTY

LANE COUNTY OFFICE OF LEGAL COUNSEL / PUBLIC SERVICE BUILDING. / 125 EAST 8TH AVE. / EUGENE, OR 97401 / 541-682-4442 / FAX 541-682-3803 / www.lanecounty.org

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Submitted Written Testimony for the House Revenue Committee

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

My name is Emily Vario, and I am an Assistant County Counsel for Lane County. I am here today in Support of HB 4056. I wanted to speak to you today about three topics related to this bill: first, the reason the bill is needed; second, the urgency of the bill; and finally, what could we expect if this bill isn't passed.

Beginning with the need for the bill. This bill is a response to the May 2023 Supreme Court Decision in *Tyler v. Hennepin County*. In a unanimous decision, the US Supreme Court stated if a former property owner was not provided a process to claim any remaining surplus funds from tax foreclosed properties a constitutional violation of the 5th Amendment had occurred. This bill seeks to address that requirement by providing a uniform process for all 36 counties in Oregon to follow.

Moving to the urgent need for the bill. If this bill is not passed, the counties are left without a uniform, legislatively approved process proscribing the method to claim any remaining funds from the sale or disposition of the property. The counties are asking the legislature to provide guidance on whom can submit a claim, what process the Legislature would prefer to be used, and for clarity on the length of time available to make a claim.

Which leads me to what would happen if this bill were not passed. If HB 4056 is not passed in this session, it will be left to the counties and the courts to decide on a piecemeal basis who may make a claim, what amounts the counties may reserve from any surplus funds, and how long the former property owner may take to make a claim. This will likely lead to lengthy, costly litigation that could substantially reduce the benefit to the former property owner due to attorney's fees. We are looking for a simplified method for former owners to make a claim that is consistent across jurisdictions that reduces rather than increases the need for legal counsel. We are also looking to this bill to reduce the possibility of good-faith mistakes or inconsistent application of law due to the lack of uniformity between the counties.

County Counsel

Erin M. Pettigrew

Deputy County Counsel

Andrea M. Nagles

Assistant County Counsel

Rebekah Dohrman

Tiffany Johnson

Steven Thiel

Emily Vario

Marcus Vejar

Administrative Staff

Morgan Day, Supervisor

Sarah Bereiter, Paralegal

Andrew Lopata, Paralegal

Risk Management

Lisa M. Lacey, Risk Manager

Miranda C. Rollins, Workers' Compensation Analyst

Deeni Leake, Risk Specialist



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We are asking that HB 4056 be approved to give guidance and clarification to the counties and to provide a uniform, consistent process that former property owners can follow to claim funds that are owed to them.

Thank you.

Sincerely,

Emily D. Vario
Assistant County Counsel
Lane County
Emily.vario@lanecountyor.gov