



Surplus Proceeds of Property Tax Foreclosure Sales – Areas of Agreement

Table 1. Look-forward and Look-back Periods			
Policy Area	Agree	Counties' Ask	Advocates' Ask
Look-forward/look-back date	SCOTUS decision date (May 25, 2023)		
Legislation for look-back period	Postpone, pending decision in <i>Western States Land Reliance Trust v. Linn County</i>		
Statute of limitations for look-back period		Six years	Applies if claimant received a certain notice up to six years before SCOTUS decision
Funding surplus payments for look-back period		Establish state-funded account to pay surpluses for look-back period	

Table 2. Surplus Payment Process			
Policy Area	Agree	Counties' Ask	Advocates' Ask
Framework for making surplus payments	Use Oregon State Treasury (OST) Unclaimed Property Program (UPP)		
Liens on property		Deny resurrection of previously extinguished liens for look-back period	Allow claim by "person other than a claimant" if based on valid lien or debt
"Claimant" definition		Means any "first party claimant" and their designated legal representative. "First party claimant" means a former owner asserting a right to surplus funds from sale of a foreclosed property by county	Means former owners, estate, heirs, devisees, power of attorney, trustee, guardian, custodian, bankruptcy estate, or successor. Exclude creditors, garnishors, other interests, or assignees
Claim filing deadline		After three-year holding period at OST, distribute unclaimed surplus to taxing districts	Follow UPP policy (no deadline)

Table 3. Sales Process and Components of Surplus

Policy Area	Agree	Counties' Ask	Advocates' Ask
Standard property		Use existing sales process under ORS 275.110-275.220	Establish tiered sales process; list with real estate agent, then high-bid auction. Set min bid at 2/3 of fair market value under ORS 195.332, determined by higher of current, licensed, third-party appraisal or current assessment, conducted within 60 days after redemption period expiration. Require successful bid to exceed delinquent taxes and allowable costs. Establish online bidding process. Advertise in multi-listing service for 30+ days. Allow auction private admin
Land sale contract agreements		Use existing process under ORS 275.110-275.220. Indemnify counties from paying surplus for unfulfilled land sale contract agreements	
County retained properties and deed transfers	Determine property fair market value as higher of current, third-party appraisal or current assessment, conducted within 60 days after redemption period expiration	Exempt determination of property fair market value if real market value on the last tax roll was less than \$250,000. Allow transfer to government agency	
County allowable costs	Allow costs currently allowed under 275.275 (1)(a) to (c), other property taxes before county transfers deed, reimbursement for claim notice filed under 275.130, penalties under 312.990, and fees of foreclosure and sale (in lieu of 275.275 (1)(b))		Require fees of foreclosure and sale (in lieu of 275.275 (1)(b)) to be "reasonable"
Post-sale	Hold proceeds in separate, interest-bearing county account until surplus amount calculated, up to 60 days. County deliver surplus to UPP	Release county liability per ORS 98.366 upon delivery of surplus to UPP	

Table 4. Notices

Policy Area	Agree	Counties' Ask	Advocates' Ask
Language access		Require counties apply four factors under federal Title VI Limited English Proficiency guidelines. For notices of: (A) foreclosure proceeding, (B) 1-year redemption period expiration, (C) final redemption period expiration, and (D) surplus	Provide notices in English and five other most commonly used languages in county. For notices A, B, and D
Notice of foreclosure proceeding (A)		Exclude heirs. Remove requirement for county to deem delivery by personal service "expedient"	Post in conspicuous place on property
Notice of surplus (D)	County notify claimant, state agencies, and municipality within 60 days after county sale, retention, or transfer	Clarify recipient "may be entitled to" surplus	
Record keeping	Provide itemized accounting of county allowable costs to claimant and UPP		
Public list of available surpluses	Post on UPP and county websites		
County search and notify adjacent owners	Require for notice A		Require for notice B
Pre-sale publications		Repeal requirements to publish public notices in newspaper. Publish on county or state website. For notices A and C	
Additional notices from county			Send notices A and B to state agencies and municip
Post to county website			Require for notice B
Warning of potential surplus	Include in notice A and B	Clarify recipient "may be entitled to" surplus	
Claim process info	Post on UPP and county websites		Include on notice D
Property tax deferral program info	Include on notice A		
Programs including exemptions, grants, or payment plans info		Oppose	Include on notice B
State foreclosure avoid programs info		Oppose	Include info on notices A and B
Housing and legal assistance info	Include on notice D		Include on notices A, B,

Sources: DOR Legislative Report House Bill 4056 (enrolled 2024), HBs 2088, 2089, and 2096 (introduced 2025), and HB 2089 - County Amendments