



Clatsop County

Assessment and Taxation

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January 31, 2025

House Committee on Revenue
900 Court Street NE
Salem, OR 97301-4048

RE: Oppose HB 2088, HB 2089, and HB 2096 Unless Amended

Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters, and Members of the Committee,

Clatsop County is deeply concerned by the requirements proposed in House Bills 2088, 2089, and 2096 and urges you to oppose them unless amended.

BACKGROUND

[HB 4056](#) was approved during Oregon's 2024 legislative session in response to [Tyler v. Hennepin County, 598 U.S. 631 \(2023\)](#). This bill required the Department of Revenue to coordinate with county tax officers and interested parties to create a process for determining surplus and distribution of proceeds of property tax foreclosures, and to report recommendations from the interested parties to the legislature. On September 10, 2024, a [Final Report](#) was filed with the Legislature that includes summaries of the discussions held during each of the workgroup meetings and a summary of workgroup suggestions. House Bills 2088, 2089, and 2096 were drafted as a result of this work, with the collective purpose of creating a standard statewide process for county foreclosure surplus claims.

Unfortunately, all three bills as currently written do not account for many of the recommendations provided by counties.

CLATSOP COUNTY'S CONCERNS AND RECOMMENDATIONS

The following highlights Clatsop County's specific concerns and recommendations regarding all three bills.

Foreclosure Notices

- Use the notification processes already required by law instead of the proposed changes. The proposed notification requirements increase the workload for counties that are already short on resources. Current laws already ensure property owners receive multiple notices about the risk of foreclosure. Under ORS Chapters 311 and 312, counties must send tax statements, delinquency notices, and foreclosure notices before filing a judgment.
- In Clatsop County, a delinquent property owner receives 11 notices before a judgment is filed, while some counties issue up to 20 notices. Property owners receive multiple notices over four years before foreclosure, including tax statements, delinquent notices, and certified foreclosure notices. The proposed bills would significantly increase staff workload by requiring these notices to be sent not only to the owner of record but also to the heirs of deceased owners, creating additional administrative burdens.
- Recorded lien holders and heirs are already notified about the foreclosure process one year into the redemption period and receive a final notice 30 days before the County takes deed. However,

the proposed bills would require these notifications much earlier in the process, significantly increasing the administrative burden on counties.

- The bills currently do not define what constitutes due diligence in locating property owners or heirs of deceased owners. This lack of clarity raises concerns about the potential liability it could impose on counties for not meeting undefined standards.
- The bills require a warning statement to be posted on the property by the Sheriff before proceeding. This adds significant strain on counties, as they lack the resources to carry out this requirement, and coordinating with the Sheriff's office presents logistical challenges.
- The HB 4056 workgroup recommended the creation of a centralized state website where counties could post information and publications. This recommendation was not reflected in the current bills, though it would help streamline the process and reduce administrative burdens for counties.
- The bills currently require all notices to be published in multiple languages, as outlined in Section 3(2), mandating notices be in English and the five most commonly spoken languages in Oregon. However, this requirement does not reflect the operational realities for many counties. Clatsop County recommends amending the bills to include a standard statement in each notice, provided by the State, informing recipients that the information can be made available in other languages or formats upon request, rather than translating every notice into multiple languages. This approach aligns with the recommendation from the HB 4056 workgroup.

Tax Sale Process

- Codify in statute that the sale price of a property at auction is considered the market value of the property for the purposes of surplus proceeds.
- Counties should not be required to maximize the possible surplus value of properties, including using independent appraisers and real estate agents. These requirements would impose significant costs on counties without a dedicated funding source to cover them. Additionally, these properties are not turnkey—due to the length of Oregon's foreclosure process (a 4-year notice period followed by a 2-year redemption period), the properties deeded to counties are often in poor condition or have limited use (e.g., small or irregular parcels of land with geological constraints). They may require cleanup, repairs, or evictions. These responsibilities would create unnecessary administrative burdens, delay counties' ability to return the property to the tax roll and add costs without adequate funding to support the county's compliance with state law.
- The implementation of an online real-time bidding process would be a completely new approach to auctions and requires further discussion. Counties need to be involved in conversations to develop a system that works for everyone, as this would require significant changes and coordination.

Post-Sale Process

- In addition to the expenses already eligible under ORS 275.275, amend the statute to include:
 1. Reimbursement of property taxes that would have been assessed on the property during the period following foreclosure while counties hold deed; and
 2. All expenses related to administering the amended tax foreclosure and sale process (i.e. appraisals, staff time documenting eligible activities for reimbursement, etc.).

Post-Sale Noticing

- Given that the bills assign Oregon's Department of Treasury (DOT) the responsibility for administering the surplus claims process, it is recommended that DOT also manage the post-sale noticing activities related to these claims. This would help streamline and standardize the process, benefiting counties without adding extra administrative burdens.