

Date:	June 18th, 2025
To:	Chair Meek, Vice Chair McLane, and Members of the Senate Committee on Finance and Revenue
From:	Association of Oregon Counties Legislative Affairs Manager, Justin Low
Subject:	Support – HB 2089 A

For the record, my name is Justin Low, and I am a Legislative Affairs Manager offering testimony on behalf of the Association of Oregon Counties (AOC).

AOC originally approached this bill from a position of deep opposition in the House Committee on Revenue. The base bill contained significant administrative and financial burdens that counties would have been required to comply with, and it proposed drastic changes to the county foreclosure and auction process. Given that many of these changes were not required by the *Tyler v. Hennepin* decision, counties could not support the base bill. What was especially difficult for counties to understand were the added requirements to attempt to utilize a realtor to sell properties and have them appraised by a third party—none of which has ever been a part of the county auction process and were not mandated in the U.S. Supreme Court decision.

Through Rep. Emerson Levy’s tremendous leadership and guidance—who brought together all stakeholders to work on and improve the bill—each section of the bill that caused concern for counties was either fully removed, addressed, or reasonably mitigated. As amendments were developed and heard within the committee, the gradual improvements to the bill allowed AOC to shift its position from deep opposition to neutral, and then ultimately to support the bill.

While counties made significant concessions in taking on the administrative workload and employee hours needed to comply with the realtor and appraiser requirements of the bill, the bill strikes a fair compromise between all parties and creates the greatest opportunity to maximize an individual’s equity (and subsequent surplus) on a primary residence that has been foreclosed on, which is reflective of the situation that the plaintiff experienced in *Tyler v. Hennepin*.

There are still some new requirements in the bill that concern counties and their staff but the majority of the bill is workable—and for any pieces of the bill that create issues upon implementation, AOC intends to work with its membership to document these issues and will work with legislators in future sessions if an additional fix is needed.

Lastly, it is still of great importance to counties and local taxing districts that a legislative solution for the retroactive liability created by *Tyler v. Hennepin* is developed and funded. Also known as the “lookback” issue, AOC currently has member counties that have paid hundreds of thousands of dollars in legal claims on past foreclosure surpluses that were retained according to Oregon State Statute, prior to the U.S. Supreme Court invalidating that statute in the *Tyler v. Hennepin* decision. It is AOC’s hope that in the short session we can come back to craft a comprehensive solution to this outstanding liability that all local taxing districts in Oregon share.

Sincerely,

Justin Low
Legislative Affairs Manager for Governance and Revenue