

Association of Assessors and Tax Collectors - HB2089 Feedback

The following is provided in review of the -2 amendment, received on 3/31/25.

Concern #1 – Required Title Search at the Beginning of Foreclosure Proceedings

As amended, the proposed provision in Section 1(1)(a)(B) requires notification to all owners, lienholders, and mortgagees at the **beginning** of the foreclosure process. This includes running title reports to find lienholders. At this time, there are still 2 plus years left before counties would be taking deed. Most (approx. 80%-90%) property owners will pay enough at this time to prevent that from happening with current notification practice.

Examples of County Impact:

- Jackson County would increase title reports from 50 to 200-250
 - Increase cost from \$11,250 to \$45,000-\$56,250
- Lane County would increase title reports from 100 to 600
 - Increase cost from \$22,500 to \$135,000
- Douglas County would increase title reports from 100 to 1,000
 - Increase cost from \$22,500 to \$225,000
- Linn County would increase notifications/title reports from 20 to 250
 - Increase cost from \$4,500 to \$56,250

The above examples only include the physical cost of the title report. It **does not** include the increased labor, running legal descriptions, increased mailings, etc., which would be substantial. We cannot charge the true cost of a title search until after the one-year notice letters are mailed. The vast majority (80-90%) of these are redeemed before that happens. This would result in a large financial burden that could never be recouped. Additionally, we are uncertain that we could get title companies to run that many title reports in that amount of time.

For properties that actually get foreclosed on, that many more property owners will have to pay the additional fees, or counties will have to absorb.

Time: Title reports take 1 – 4+ hours each for staff to review.

Requested Solution

Remove this requirement from the beginning of the foreclosure proceedings. Instead, this requirement should remain as part of ORS 312.125, the Notice of Expiration of Redemption Period. A year's notice should be sufficient time for the lienholder or mortgagee to respond to the notice.

Additional Concerns:

The requirement to include specific information about legal and financial assistance... our offices don't know everything that's available and what if something / someone is missed? Is there any liability? **[This is in the original bill and not changed by the amendment.]**

In (2), counties are required to conduct extensive due diligence in locating property owners “*by means including, but not limited to, searches of land, court and other records, online databases, and other resources*” as well as **notifying all adjacent property owners for each notice in the foreclosure process**. Based upon county comments in the DOR workgroup meetings last year, this is a significant increase in workload compared to current practice. The general language used such as *other records* and *other resources* could expose counties to lawsuits claiming lack of complete

due diligence. In our meeting with Rep. Levy, she seemed to indicate that the notice schedule would follow existing law and notice at each phase would be to the owner of record only. [This is in the original bill and not changed by the amendment.]

General question – should specific websites and telephone numbers be included in statutes? [This is in the original bill and not changed by the amendment.]

Concern #2 – Additional Notifications and Formatting Requirements

As amended, the proposed provisions in Section 1(1)(a)(B) and Section 4(1) add lienholders, mortgagees, the Department of Revenue, and the Department of Justice to the initial notification of foreclosure proceedings.

In addition, the proposed provision in Section 1(3)(a) requires each notice to be written in all capital letters and at least 20-point font type.

Impact on the Counties

Increasing the font size of the additional text will increase the notice from one page to three pages.

Notices cost approximately \$8.86 each in postage to mail, both first-class and certified. Increasing the number of pages and the number of organizations required to receive notifications will at least triple the cost of postage. And, postage is set to increase July 1, 2025. With the proposed changes in notifications this would increase costs substantially (adjacent property owners, etc.).

Requested Solution

Allow new text to be 12- or 14-point font to make notices no more than two pages, which would incur no additional postage cost. – or-

Allow new text to be 12- or 14-point font to make notices no more than two pages, which would incur no additional postage cost.

As stated earlier, approximately 80% of properties are redeemed before the one-year Notice of expiration is mailed. The additional notification requirement for lienholders, mortgagees, the Department of Revenue, and the Department of Justice should be included as part of ORS 312.125, the Notice of Expiration of Redemption Period, which provides them at least one year to respond to the notice.

Concern #3 – Required Notice of Redemption Period End Date in Initial Notice

Section 1 (3)(b)(B) requires the redemption period end date to be included in the initial notice.

Impact on the Counties

At the time the County sends the initial notice, the redemption period end date is unknown. It is not until we file for judgment a month or two later that we know the judgment date.

Requested Solution

Remove this requirement from the required language.

Concern #4 – Require County Sheriff to Post First Notice at Physical Property

The proposed provision in Section 1(3)(c) requires that the sheriff of the county post, in a conspicuous place on the property subject to the notice, a copy of the notice. [This is in the original bill and not changed by the amendment.]

Impact on the Counties

This is yet another potentially expensive and unnecessary (?) step and one that we may be unable to perform. Under our current process, Taxation staff make a significant effort to contact the owners and interested parties directly before the redemption period expires. The Sheriff's office has limited staff and resources available to make this a priority. In addition to the time spent preparing these notices, this duty would likely be delegated to Tax Collectors by the Sheriff, at least for some.

Additionally, we feel that conspicuously posting notices so early in the foreclosure process is embarrassing to the homeowners.

Requested Solution

Remove this requirement from the statute.

PROBABLY MORE AOC THAN ASSESSORS / TAX COLLECTORS

Concern #5 – Require Online, Real-Time Bidding Public Auction [This is in the original bill and not changed by the amendment.]

Section 6(c)(A) states that the auction shall include an online bidding process, in which bids are received electronically over the Internet in real-time.

Impact on the Counties

This would be complicated and cumbersome to implement for the relatively small number of properties that we sell each year that would fit the requirements for auction.

Requested Solution

Continue with the current, in-person public auction process.

Concern #6 – Require Sale of Residential and Occupied Properties and Advertisement in a Multiple Listing Service

As amended, Section 6 (1) requires that the county sell residential or occupied property. During the meeting with Rep. Levy, it was stated if the property was an improved residential or commercial and vacant or occupied and worth more than \$50,000 then a real estate agent should be brought in. Also, does occupied mean *legally occupied*?

Section 6 (2)(c)(B) requires advertisements in a multiple listing service. [This is in the original bill and not changed by the amendment.] A lot of counties are not allowed access to MLS systems in their area. This line should be removed. Do we know if any of the regional MLS services allow this type of advertising without being officially listed with a Realtor associated with the multiple listing service?