



House Committee on Revenue
Testimony in Support of HB 2096

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AARP is dedicated to empowering Americans 50 and older to choose how they live as they age. With 500,000 members in Oregon, AARP works to strengthen communities and advocate for what matters most to families, with a focus on health security, financial resilience, and livable communities.

AARP has been involved in this issue for a long time. AARP Foundation filed an amicus brief in the US Supreme Court decision on *Tyler v Hennepin* and we applaud the court's 9-0 decision in protecting equity of homeowners.

As of 2020, approximately 80% of older adults over the age 65 own their own home. Older and low income homeowners face a myriad of threats and financial pressures that jeopardize their ability to preserve the lifetime of equity they have built up in their homes. And for many, this is their most valuable financial asset, representing a lifetime of hard work.

The consequences of this on older Oregonians cannot be overstated, especially as they have higher rates of physical and cognitive disabilities and are more likely to live on modest, fixed incomes, which can make it more difficult to afford the costs of maintaining their home including paying property taxes and utilities.

Ultimately this puts them at risk of tax foreclosure. When property is forfeited, it can result in the loss of hard-earned equity and accumulated intergenerational wealth, putting some families back at the starting line financially.

We very much appreciate the work that Rep. E. Levy has done to work out the various issues. HB 2089 in its original form was virtually identical to HB 2096 brought by AARP along with the Cascade Policy Institute, Pacific Legal Foundation, OTLA, Oregon Consumer Justice, Oregon Law Center and DevNW.

The -2 amendments reflect an effort to compromise and address concerns expressed by the counties. That included removing delivering notice to heirs of deceased owners. And it included increasing the threshold of the property value to trigger an appraisal from our requested \$10,000 to \$50,000.

Real Estate Agent

One of the critical components that we testified in support is the requirement to use a real estate agent. As I previously testified, Maine and Massachusetts already provide this. This is very important to all the advocates. The focus has to be on *maximizing the value* of the property. And every scenario we set up includes that the county recoup *all* expenses so this does not put an additional financial burden on them.

As part of negotiations, we are comfortable with a narrowing the scope in a very limited manner but we believe that a real estate agent should be the default. We respectfully disagree with the arguments put forward by the counties that this requirement would create time and financial barriers.

In the case of a property where the county cannot locate a real estate agent, the process is tiered after three attempts to secure an agent or the property does not sell, the county can go to auction. Real estate agents are interested in *maximizing* the value of the property since their fee is based on *selling* the property *for the highest amount*. As the Oregon State Treasury has mentioned, they have a successful program of using real estates to dispose of property that comes through their unclaimed property program *including* distressed property. They have never had any problem finding a real estate agent. We believe the same holds true here.

The counties now raise new concerns about public contracting and an RFP process for securing a real estate agent. While we question if this would be required with property that the county does not actually own, we are more than open to putting in language that would remove any barriers. The county can develop a list of interested real estate agents/firms to contact. Real estate agents sell property *of all kinds* and they can do so here with some reasonable limitations.

Notice

One of the issues important to AARP as well as the other consumer advocates is providing clear and meaningful notice, both of which are necessary if we want these new protections to work for the property owners. That requires plain language, providing key details, immediate action required and resources available. *But it also requires that this information be available in the 5 most frequently used languages.*

The proposed law, itself, sets out the actual notice so this is a one-time translation required. And to remove the burden of sending actual notice in English and 5 additional languages, we believe a simple and cost-effective solution is for a state agency website to host the template notice, requiring the counties simply to include language at the bottom of the notice in the 5 additional languages directing the reader to a website that contains notice in all languages. This achieves our goal without requiring additional paper.

For example, the Oregon Judicial Department does this regularly and they were kind enough to share the costs for a one time template for translation in 5 languages. For translation of

a notice that is 427 words, the cost is around \$435. The forfeiture notice is under 300 words so we would anticipate a slightly less expensive one-time cost. There is a bill this session which puts this one time requirement into statute and we would urge this to be included here. We are hopefully that either the Oregon State Treasury or the Department of Justice can host such a landing page on their website.

Finally, we are also amenable to the counties request to changing the font of 20 on the notice to 14, to reduce the number of pages.

Conclusion

We want to reiterate our appreciation for all the work that has gone on over the past year. While we are close to consensus, we urge this committee and all involved keep their eye on the goal of putting the consumer first, especially when the steps we are requesting will do that in a manner that does not increase costs to the county.