



April 8, 2025

Representative Nancy Nathanson, Chair
State of Oregon
House Committee on Revenue
900 Court Street NE, H-279
Salem, OR 97301-4048
Rep.NancyNathanson@oregonlegislature.gov

Representative Jules Walters, Vice-Chair
State of Oregon
House Committee on Revenue
900 Court Street NE, H-279
Salem, OR 97301-4048
Rep.JulesWalters@oregonlegislature.gov

Representative E. Werner Reschke, Vice Chair
State of Oregon
House Committee on Revenue
900 Court Street NE, H-279
Salem, OR 97301-4048
Rep.EWernerReschke@oregonlegislature.gov

RE: Opposition to HB 2089, HB 2089-2, (HB 2088, HB 2096) Unless Amended

Dear Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters, and Members of the House Committee on Revenue:

This letter highlights the potential consequences that Oregon House Bills (HB) 2088, 2089, 2089-2, and 2096 (2025) could have on Deschutes County as well as other counties. There is extreme concern that the requirements in these Bills would make it nearly impossible to comply with the obligation to implement foreclosure proceedings due to the excessive cost and additional workload demands required of these proposals.

The three bills, as currently written, do not account for many of the recommendations provided by counties during the Department of Revenue's Work Group established by HB 4056. Deschutes County is deeply concerned by the requirements and the recent proposed amendment 2089-2, and urges you to oppose them unless amended.

Please note that Deschutes County does support a number of modifications in the proposed 2089-2, including removing the requirement of 1) notifying heirs of deceased owners and 2)

removing the five languages requirements. However, the County has ongoing concerns regarding the extensive requirements proposed in the tax foreclosure process.

Deschutes County supports the recommendations from the Association of Oregon Counties listed in the [HB 2089 – County Amendments](#) document.

The proposed provisions in HB 2089-2 requires notifying all owners, lienholders, and mortgagees at the ***beginning*** of the foreclosure process. For reasons outlined below, **notifications would be better accomplished at the one-year redemption mark**, which currently occurs pursuant to existing requirements under ORS 312.125. The majority of properties are removed from the foreclosure list prior to the signing of judgement due to payment by the owner. The proposed notification requirements unnecessarily increases workload and unrecoverable costs for counties. Deschutes County requests maintaining the current notification processes already required by law instead of the proposed changes.

Comments related to notifications:

- Section 1(a) - At 60 days prior to the date of foreclosure proceedings, we typically have 250+ accounts that are ready for foreclosure if the oldest year is not paid. However, this reduces drastically to approximately 50 accounts after staff outreach and prior to taking judicial action. Approximately 75% of taxpayers that go into foreclosure are removed from the foreclosure list after staff contact and payment of at least one year of past due taxes. This additional notification requirement would result in excessive costs to the County and a strain on staff resources.
- The proposal to find lien holders and mortgagees, ***before*** an account is in foreclosure, would require a title report for 250 accounts at a cost of approximately \$250 each, which equates to roughly **\$62,500** for Deschutes County, as opposed to the current process costing only approximately **\$2,500** based on the number of accounts at the one-year redemption period. Moreover, due to an increase in the number of title reports and the expedited timeline, the County anticipates a price increase for each title report. Further, we are unaware of an available title company in our region that could process 250+ accounts in less than a month's time.
- There is no proposed mechanism for counties to recoup the cost of publication or title reports ***before*** an account is in foreclosure.
- Publicizing 250+ accounts will result in excessive costs to Deschutes County. The County currently expenses approximately **\$5,000 for 50 accounts**, as opposed to **\$25,000 for 250 accounts**. Maintaining the current publication requirement provides adequate notice to the involved property owners, as the proceedings are not finalized until 30 days after the publication.
- Deschutes County begins contacting property owners by phone in February of each year for any accounts that would potentially go into foreclosure in August of the same year, to find out if we can help them or direct them to services, as applicable. After May 15th of each year, we contact them again. Each property owner has also been sent four notices a year for the past four years (**a total of 16 notices**), so a property owner is not surprised when property taxes become past due, and they enter the foreclosure process.

- If a property owner receives a notice prior to judgment stating they may be entitled to surplus money if the County forecloses, there is minimal incentive to pay their outstanding property taxes.

Other items:

- The Bills require a warning statement to be posted on the property by the Sheriff's Office before any legal proceeding. This adds significant strain on counties, as they lack the resources and legal ability to carry out this requirement, and coordinating with the Sheriff's Office presents logistical and costly challenges.
- Property owners have the ability to seek a private sale prior to and during the foreclosure and redemption processes. Counties should not be required to maximize the possible surplus value of properties beyond reasonable measures already in place through the public auction process. Section 6 requires counties to list foreclosure properties with a real estate broker or agent. The current in-person auction is adequate in ensuring a fair price is received for sold properties. There is little foreseeable interest from real estate professionals due to issues such as difficulty obtaining clear property title and financing.
- Section 6 – Requiring an online public auction and a real-time bidding process would be extremely complicated, cumbersome, and expensive to implement. The County recommends that this feature be optional.
- Section 7 – Requiring a private appraiser will add significant time and expense to the process. Appraisers are often overbooked, making it challenging to secure appraisals within the 60-day requirement. Moreover, requiring appraisals for land greater than the \$50,000 minimum real market value would result in a non-reimbursed cost to the County. Further, it is unclear what the required process would be for property valued under \$50,000.
- Section 7 – Need clarification on the definitions of "residential or occupied". Many of the foreclosed properties within Deschutes County are unimproved and non-buildable lots. The current term "residential" is ambiguous as to whether it references zoning requirements or the existence of a dwelling unit.

Thank you for your continued support and representation. Please let us know if there is any additional information or data that can be provided to assist in your discussions.

Sincerely,



Robert Tintle
Chief Financial Officer/Tax Collector



Kristie Bollinger
Property Manager