



WASHINGTON COUNTY

OREGON

February 16, 2023

Chair, Nancy Nathanson
Vice-Chairs Reschke & Walters
Members of the House Revenue Committee

Chair, Vice-Chair and Members of the House Committee on Revenue,

Washington County is writing in support of HB 4056, the *Foreclosure Fix* bill, which would create a state-wide, comprehensive system for counties utilizing tax foreclosure in Oregon.

As you may know, Washington County is the second most populous county in the state of Oregon, with over 600,000 people residing within the County. Since 1990, the county's population has nearly doubled in size. Over the last decade, our population has grown at a rate equivalent to 19 people moving in every day. As a result, we are the most diverse and one of the most rapidly growing counties in the state. As a county, we work to provide vital services using limited revenues that primarily derive from the payment of property taxes.

The unforeseen complications arising from the U.S. Supreme Court's decision on *Tyler v. Hennepin County* places an undue burden on the counties, has increased liabilities, and has created a potential for a patchwork of 36 different claims processes being developed across Oregon. Creating a different system in each county will not assist anyone in navigating an already complex foreclosure process.

Furthermore, without a legislative solution, counties are at risk of having to abide by state statutes that may be in violation of the *Tyler v. Hennepin County* decision. And the result of the issues that will arise will need to be addressed through litigation — resulting in expensive outcomes that drain vital resources from the counties. The *Tyler v. Hennepin County* decision has already created several million dollars of liability for Oregon Counties overnight.

Here in Washington County, we are aware of two separate class action claims that occurred within months of the ruling alleging that the Oregon Tax Foreclosed Property Owners would receive class status potentially across all Oregon Counties. Immediately following the decision, Washington County was sued by Caesars Proceeds LLC, an LLC formed right after the *Hennepin* decision, for a house that was foreclosed and auctioned in 2022. Across Oregon, counties are already in litigation because of this ruling, including Washington, Clackamas, Lincoln, Coos, and Lane Counties.

In Washington County alone, we estimate that the potential liability of almost \$2 million dollars based upon all tax deeds accrued over the last 6 years. Without a legislative solution, all counties will be left in an untenable position.

We strongly urge your support in passing HB 4056 to create a system that will implement a statewide template on how to process tax foreclosure claims going forward.

Thank you for your consideration,

Carly Sylva-Gabrielson
Government Relations Manager
Washington County