



# Clatsop County

## Assessment and Taxation

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April 10, 2013

House Committee on Revenue  
900 Court Street NE  
Salem, OR 97301

RE: Opponents' HB 2089 -2 and -3 Amendments: Seeking Practical Solutions

Dear Chairathanson and Vice-Chairs Reschke and Walters, and Members of the Committee,

Clatsop County appreciates the work that has gone into developing the -2 and -3 amendments for HB 2089 and the goals they aim to achieve. However, we remain deeply concerned that the amendments still impose significant administrative and financial burdens that small and rural counties are not equipped to absorb. Even if the amendments still establish costly new mandates, create operational challenges and reduce the flexibility counties need to manage the foreclosure process effectively and equitably, we respectfully offer the following comments and recommendations to help ensure this important legislation is both workable and sustainable for all counties across Oregon.

### Concern - Maximizing Surplus Value

**Issue:** Requiring counties to maximize surplus value, by mandating independent appraisers and real estate agents creates unnecessary costs and administrative burdens.

**Impact:** These increases in costs and administrative burdens affect both counties and claimants, as these requirements could significantly reduce the amount of surplus funds available to claimants—assuming the people even sell. Additionally, these requirements introduce confusion about valuation standards which could lead to inconsistencies and increase the risk of litigation, burdening both counties and taxpayers.

**Recommendation:** Remove the third-party appraisal requirement and allow counties to continue using their current processes to assess property value.

### Concern - Definition of "Residential or Occupied" and Real Estate Agent Involvement

**Issue:** The term "residential or occupied" is vague and open to broad interpretation. For example:

- Does "residential" refer to zoning or structure type?
- Does "occupied" include illegal squatting or encampments?
- If legal occupants are removed, does the classification change and how does that impact the process?

**Impact:** This ambiguity could lead to inconsistencies across counties, causing unnecessary referrals to real estate agents and creating additional enforcement burdens on counties. These complications could increase costs, delays, and confusion in the foreclosure process.

**Recommendation:** Replace the term "residential or occupied" with "single-family dwelling" or utilize the definition provided in ORS 305.288(1)(a). Clearly define which properties require real estate agent involvement, based on specific criteria.

### **Concern #3 – Title Search at Foreclosure Initiation**

**Issue:** Requiring title reports at the beginning of the foreclosure process is both premature and costly. In Clatsop County, approximately 80–90% of properties are redeemed before judgment, making early title reports unnecessary and wasteful. Additionally, securing title companies willing to conduct these reports has become increasingly difficult. If the volume of required reports increases substantially, it will be difficult for us to retain a title company capable of completing the work within the necessary timeframe.

**Impact:** This requirement could increase title report expenses from \$3,500 to over \$35,000, not including the added costs of postage, publication, and staff time. Moreover, there is currently no mechanism to recover these costs incurred before judgment, further straining county resources.

**Recommendation:** Maintain the current practice outlined in ORS 312.125 and require title reports only at the Notice of Expiration of Redemption Period.

The following concerns do not specifically apply to the -2 and -3 amendments, but they are included in this letter in light of comments made during the recent public hearing.

### **Concern #4 – Expanded Notification and Formatting Requirements**

**Issue:** HB 2089 mandates that notices be written in all capital letters and at least 20-point font. It also expands the list of entities to notify at foreclosure initiation.

**Impact:** These changes would increase printing and postage costs, potentially tripling them, and create additional administrative burdens for counties.

**Recommendation:** Allow 12–14-point font to keep notices within two pages. Move the expanded notification requirement to ORS 312.125, which would allow adequate time for responses.

### **Concern #5 – Redemption Period End Date in Initial Notice**

**Issue:** HB 2089 requires the initial notice to include the redemption period end date. However, at the time of initial notice, the redemption end date is unknown and cannot be accurately provided.

**Impact:** This requirement could lead to confusion or errors in the foreclosure process, as it is not feasible to provide an accurate date at this stage of the process.

**Recommendation:** Do not require the redemption period end date for the initial notice.

### **Concern #6 – Sheriff Posting Foreclosure Notice on Property**

**Issue:** In HB 2089, section 1(3)(c) requires the county Sheriff to post a copy of the foreclosure notice in a conspicuous place on the property.

**Impact:** Posting a notice on the property creates logistical and safety challenges, especially in rural areas or with vacant properties, and could lead to unnecessary stress or conflict with property occupants.

**Recommendation:** Do not require county Sheriffs to post foreclosure notices on properties.

### **Concern #7 – Online, Real-Time Bidding Requirement**

**Issue:** HB 2089 requires that counties provide online auctions to allow for real-time bidding.

**Impact:** This requirement would place unfeasible financial and logistical burdens on small counties, forcing them to make a significant investment in technology that may not even be needed due to their lower volume of auctioned properties and bidders.

**Recommendation:** Continue allowing counties to hold traditional in-person public auctions, a more cost-effective and operationally feasible method for smaller counties with fewer properties to auction.

**Conclusion:**

Both the -2 and -3 amendments for HB 2089 still impose significant and unsustainable costs and administrative burdens on counties.

As stated in our previous written testimony for HB 2089, it is important to emphasize that counties do not seek to foreclose on properties or profit from foreclosure sales. In Clatsop County, our goal has always been to find a solution that allows property owners—especially those in residential, inhabited properties—to retain ownership whenever possible. Tax foreclosure remains a last resort.

It is crucial that small, rural counties, like Clatsop County, remain part of these policy discussions. In many cases, the language in the proposed amendments would impose administrative requirements that are beyond the financial and operational capacity of small counties to manage effectively. For this legislation to succeed, it must reflect the practical realities faced by counties of all sizes.

Clatsop County respectfully urges you to consider the recommendations above to ensure the final version of HB 2089 avoids unintended harm to county operations and taxpayers.

Thank you for your time and consideration.

Sincerely,



Heidi Tandy  
Director of Assessment and Taxation  
Clatsop County