

House Bill 4111

Sponsored by Representative WEIDNER, Senator PROZANSKI; Representatives KRIEGER, SHEEHAN, J SMITH, THATCHER, THOMPSON, Senator BOQUIST (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Changes procedures for local government to sell land or tract and any improvements to enforce unpaid liens for final assessments for local improvements. Establishes minimum sale price based on specified factors. Returns amount of sale in excess of debt to debtor.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to sale of real property to enforce lien for local improvements; creating new provisions;
3 amending ORS 223.505, 223.520 and 223.525; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 223.505 is amended to read:

6 223.505. As used in ORS 223.505 to 223.595[, *unless the context requires otherwise*,]:

7 (1) **"Lawfully established unit of land" has the meaning given that term in ORS 92.010.**

8 (2) **"Tract" has the meaning given that term in ORS 215.010.**

9 (3) "Treasurer" means the officer designated by charter or ordinance of the local government
10 to collect unpaid liens or **final** assessments, take all steps necessary to enforce delinquent liens or
11 assessments and to maintain records pertaining to collection proceedings thereon.

12 **SECTION 2.** ORS 223.520 is amended to read:

13 223.520. Upon receipt of the list described in ORS 223.515, the treasurer shall proceed to collect
14 the unpaid liens or final assessments named in the list by advertising and selling the [*lots or*
15 *tracts*] **lawfully established units of land or tracts** in the manner now provided by law for the sale
16 of real property on execution, except as otherwise provided in ORS 223.525 to 223.580 and except
17 that sale may be made at [*such*] **the** place within the boundaries of the local government [*as may*
18 *be*] designated in the notice of sale.

19 **SECTION 3.** ORS 223.525 is amended to read:

20 223.525. [*Each piece or tract of land shall be sold, separately, and for a sum equal to but not ex-*
21 *ceeding the unpaid lien or final assessment thereon and the interest, penalty and cost of advertising*
22 *and sale. If there is more than one bid the land shall be sold to the bidder first offering to take it for*
23 *the amount accrued thereon. No levy upon such lots or parcels of land shall be required except that a*
24 *notice shall be posted four consecutive weeks before the sale upon every lot or parcel.*]

25 (1) **Each lawfully established unit of land or tract must be sold separately and for a sum**
26 **equal to the lesser of:**

27 (a) **The market value of the real property, plus interest, penalties and the costs of con-**
28 **ducting the sale;**

29 (b) **The total assessed value of the real property, as determined by the assessor of the**
30 **county in which the land and improvements are located, plus interest, penalties and the costs**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 of conducting the sale; or

2 (c) The fair market value of the real property, as determined by an independent real es-
3 tate appraisal, plus interest, penalties and the costs of conducting the sale.

4 (2) If none of the bids equal or exceed a sum described by subsection (1) of this section
5 or the sale is not completed for any other reason, a second sale must be held not less than
6 180 days after the initial sale. At the second sale, the real property may be offered for 90
7 percent of the lowest sum described in subsection (1) of this section.

8 (3) If none of the bids equal or exceed the sum described by subsection (2) of this section
9 or the sale is not completed for any other reason, a third sale must be held not less than
10 one year after the initial sale. At the third sale, the real property may be offered for 80
11 percent of the lowest sum described in subsection (1) of this section.

12 (4) Real property may not be sold under this section for less than 80 percent of the lowest
13 sum described in subsection (1) of this section.

14 (5) If there is more than one bid that equals or exceeds the minimum sum for which real
15 property may be sold at a sale under this section, the real property must be sold to the
16 highest bidder.

17 (6) If the sum received for the sale of real property under this section exceeds the
18 amount of the unpaid assessment, plus interest, penalties and the costs of conducting the
19 sale, the remainder of the sum must be returned to the debtor or the debtor's heirs or as-
20 signs.

21 (7) A levy is not required upon lawfully established units of land on the list described in
22 ORS 223.515, but a notice of sale must be posted four consecutive weeks before the sale of
23 each lawfully established unit of land or tract.

24 **SECTION 4.** The amendments to ORS 223.505, 223.520 and 223.525 by sections 1 to 3 of this
25 2012 Act apply to the sale of real property placed on the list described in ORS 223.515:

26 (1) One year or less before the effective date of this 2012 Act if the final assessment, lien
27 or installment that is overdue and unpaid is bonded; and

28 (2) Sixty days or less before the effective date of this 2012 Act if the final assessment, lien
29 or installment that is overdue and unpaid is not bonded.

30 **SECTION 5.** This 2012 Act being necessary for the immediate preservation of the public
31 peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect
32 on its passage.