

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Concur in the Senate Amendments Dated 5/30, Further Amend, and Repass the Bill
Vote:	6 - 0 - 0
Yeas:	Rep. Garrard, Greenlick, Dingfelder; Sen. Beyer, Prozanski, Avakian
Nays:	0
Exc.:	0
Prepared By:	Sue Marshall, Administrator
Meeting Dates:	6/14

WHAT THE MEASURE DOES: Establishes a process by which a county or city may validate and an owner may record an established unit of land if the unit was unlawfully created by a previous owner on or before January 1, 2007. Requires certain documentation by a person who conveys or contracts to convey a fee title for a new parcel or unit of land created by subdivision or partition or resulting from lien foreclosure or a foreclosure of a recorded contract for the sale of real property, created or established on or after the effective date of this 2007 Act. Requires seller of property to disclose whether unit of land being transferred is lawfully established.

ISSUES DISCUSSED:

- Need for clarifying amendment
- Agreement of work groups participants

EFFECT OF COMMITTEE AMENDMENT: Requires a person who conveys or contracts to convey a fee title for a new parcel or unit of land created by subdivision or partition or resulting from lien foreclosure or a foreclosure of a recorded contract for the sale of real property to include in the conveyance document either: (1) A reference to the recorded subdivision plat or partition plat for the lot or parcel, (2) A reference to or exhibit of the final land use decision that approved the subdivision or partition, or (3) A reference to or exhibit of a final judgment or other document that evidences a foreclosure of a recorded contract for the sale of real property. Shifts the burden of reporting from clerks or planners to the seller of property.

BACKGROUND: The Department of Land Conservation and Development and others report that parcels of land have been sold in Oregon without the buyer's knowledge that a parcel was not lawfully established. In some cases, land may have been divided to create a separate tax account, but is not a legal subdivision. In other cases, local governments have granted building permits on unlawfully established lots without proof of legal land division thereby reinforcing the appearance to prospective buyers that the lot is a legal parcel. Purchasers of illegally divided lots have been denied building or other permits necessary to use or develop their land. Title insurance policies exclude zoning related claims and leave buyers with limited recourse after unwittingly purchasing an illegal lot. Current law provides unclear authority for cities or counties to subsequently approve a lot or issue a building permit for a lot that was unlawfully divided and sold.