

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass
<b>Vote:</b>	5 - 0 - 0
<b>Yeas:</b>	Beyer, Kruse, Prozanski, Walker, Burdick
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Bill Taylor, Counsel
<b>Meeting Dates:</b>	1/31

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**WHAT THE MEASURE DOES:** Clarifies that a county may sell excess land by private sale if the parcel is unsuitable for construction of a dwelling under the “applicable” zoning ordinances and building codes of either the county or municipality depending on which applies to the land being sold.

**ISSUES DISCUSSED:**

- Adverse possession does not apply to land that government owns
- Practice will now conform to the law

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Counties operate the property tax system and often come into ownership of real property through tax foreclosure. In most cases, these properties have to be resold at auction under ORS 275.110 to 275.160. However, counties often come into ownership of small, oddly shaped parcels that have little or no value and are “unbuildable” under city or county zoning laws.

For example, a gap may be discovered between two subdivisions where the plats did not exactly match. Because no one was paying the taxes on the gap, it will fall into county ownership when the taxes go unpaid. In this scenario (not uncommon), the gap may be a strip six feet wide by 200 feet long running through the back yards of a number of homeowners who probably were not aware that the county owns a portion of their backyard.

ORS 275.225 allows a county to avoid taking these properties to auction and go directly to private sale if: (1) the assessed value of the property is less than \$5,000, and (2) the property is unbuildable under the county’s zoning regulations. Many of these properties exist inside city boundaries, where county zoning laws do not apply. Accordingly, under a strict reading of the statute, these properties would have to go through auction in order to be sold to the adjacent property owner. SB 310 simply amends ORS 275.225 to require a determination that the property is unbuildable under “applicable” zoning regulations before it can be sold at private sale.