

REVENUE: No revenue impact**FISCAL: No fiscal impact**

Action:	Do Pass the A-Engrossed Measure
Vote:	4 - 0 - 1
Yeas:	Boquist, Dingfelder, George, Shields
Nays:	0
Exc.:	Rosenbaum
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	2/22

WHAT THE MEASURE DOES: Establishes minimum sales price based on specified factors when local government sells real property to collect unpaid liens for final assessments for local improvements. Specifies process to sell property if first offer did not result in sale. Deletes statutory requirement that address of persons be included on first page of instruments recorded with county clerk. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Current limit on sale price
- Protection for property owners who are land rich but cash poor
- Removal of requirement to include addresses when recording instruments

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Under current law, each piece or tract of land is separately sold for an amount equal to the unpaid lien or final assessment for the local improvement. The land could be worth much more, but it cannot be sold at the higher market price.

House Bill 4111-A allows each unit of land or tract to be sold for an amount equal to or exceeding the greater of: the amount of unpaid final assessment plus interest, penalties, and cost of the sale; or seventy-five percent of the total assessed value determined by the county assessor plus interest, penalties, and cost of the sale.

The sale will be made to the highest bidder, as long as the minimum sales price is satisfied. Any money remaining after paying the costs of conducting the sale, satisfying the unpaid final assessment plus interest and penalties, and paying persons with recorded liens will go to the debtor or the debtor's heirs. If the first offer does not result in a sale, it may be offered for sale no sooner than three months after the expiration of any sale. However, if the assessment was for the opening, widening, laying out or establishing of a street, the second sale may occur immediately. This is the current process used for selling property to satisfy a lien on a final assessment for local improvements found in ORS 223.560.