

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	5 - 0 - 0
Yeas:	Baertschiger, George, Monnes Anderson, Prozanski, Shields
Nays:	0
Exc.:	0
Prepared By:	Channa Newell, Administrator
Meeting Dates:	2/20

WHAT THE MEASURE DOES: Exempts Housing and Community Services Department from procedure and notice requirements for disposition of certain real property held by Department and from requirement to retaining mineral and geothermal rights in real property sold by Department.

ISSUES DISCUSSED:

- Historic statutory interpretation of Department's authority to dispose of property
- Increase in number of state agencies exempt from property disposal protocols found in ORS 270.100
- Importance of federal bond requirements

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon Housing and Community Services (OHCS) is Oregon's housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for Oregonians of lower and moderate income. OHCS also assists in the financing of single-family homes, the new construction or rehabilitation of multifamily affordable housing developments, as well as grants and tax credits to promote affordable housing.

Current Oregon law requires state agencies to give other agencies and divisions first right to acquire real property owned by the state when the agency intends to dispose of property. Under ORS 456.625(7), OHCS is authorized to use discretionary authority to dispose of property in a manner the department deems necessary to protect its interest in bond-financed mortgage lending programs. Historically, that authority has been interpreted as trumping the general property disposal requirements for offering first right to acquire and the requirement that agencies retain mineral and geothermal rights in state property conveyed by an agency.

Senate Bill 204 clarifies the historical interpretation of ORS 456.625(7) by exempting OHCS from the requirement to offer property to other state agencies before proceeding with the sale of the property. Senate Bill 204 also exempts OHCS from the requirement that it retain mineral and geothermal rights in the property it conveys to others.