

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	9 - 0 - 0
Yeas:	Barnhart, Berger, Dembrow, Hicks, Holvey, Hoyle, Jenson, Kennemer, Garrett
Nays:	0
Exc.:	0
Prepared By:	Erin Seiler, Administrator
Meeting Dates:	5/1, 5/22, 5/29

WHAT THE MEASURE DOES: Requires notice of sale of foreclosed home to include statement that some residential property sold at trustee's sale may have been used in manufacturing methamphetamines, chemical components of which are known to be toxic. Prospective purchasers of residential property should be aware of this potential danger before deciding to place a bid for this property at the trustee's sale. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Physical impact of methamphetamine on users
- Current laws in Oregon limiting sales of methamphetamine production
- Testing of foreclosed homes for methamphetamine contamination
- Residual residue in homes from methamphetamine use
- Notification to potential home owners of contamination
- Health effects of exposure to methamphetamine residue
- Exemptions from disclosure when owner has no prior knowledge about history of home
- Long term impact of methamphetamine
- Potential number of methamphetamine contaminated homes in United States
- Responsibility of financial institution for inspections of foreclosed home
- Legal ability of financial institution to enter and inspect foreclosed home
- "As is" sales by financial institutions

EFFECT OF COMMITTEE AMENDMENT: Replaces original measure.

BACKGROUND: A methamphetamine laboratory is an illegal drug manufacturing site containing materials required to manufacture methamphetamine. Methamphetamine is made from common household items that when mixed together or "cooked" to produce the drug, they generate a large amount of chemical waste. This waste can contaminate all surfaces in the residence in which it is manufactured and if not properly decontaminated, residual wastes can remain on surfaces for years, even after removing illicit laboratory equipment and chemicals, residual amounts of some chemical substances may persist on building surfaces and furnishings prior to cleanup or decontamination. Even after decontamination there is a possibility of being exposed to these residuals risking injury. There is scientific evidence, however, that shows that the chemicals used to manufacture methamphetamine can cause a variety of health effects including cancer, brain/nervous system injury, injury to the liver and kidneys, birth defects, and reproductive disorders.

From 1999 to 2011, the Drug Enforcement Administration reported uncovering 21,000 residential methamphetamine labs. Their addresses are documented in the agency's Clandestine Drug Lab Registry. In addition, the Building Code Division of Oregon maintains a website that lists properties that have been declared drug lab sites and have not been cleaned up. The properties listed on these have been declared by a law enforcement agency to be unfit for use due to methamphetamine lab and/or storage activities. The properties are considered uninhabitable until cleaned up by a state

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This summary has not been adopted or officially endorsed by action of the committee.

certified decontamination contractor and a certificate of fitness is issued by the Oregon Health Authority, Public Health Division.

Oregon is one of 27 states with a specific methamphetamine disclosure law pertaining to the purchase of a home. The statutes that govern the drug cleanup program in Oregon only address drug manufacturing sites. They do not address properties where methamphetamine was used or with no documented history of methamphetamine manufacturing. When real property acquired as a result of foreclosure is sold, three conditions often exist: it is sold as is, the purchaser can forgo home inspection and the purchaser is responsible for detecting hazards like lead paint and asbestos. However, in Oregon, a methamphetamine test is not part of an the home inspection.

House Bill 3499-A would require notice of sale to include the statement “Without limiting the trustee’s disclaimer of representations or warranties, Oregon law requires the trustee to state in this notice that “some residential property sold at trustee’s sale may have been used in manufacturing methamphetamines, chemical components of which are known to be toxic. Prospective purchasers of residential property should be aware of this potential danger before deciding to place a bid for this property at the trustee’s sale.”