

Enrolled
House Bill 2662

Sponsored by Representative FREDERICK; Representative VEGA PEDERSON (Presession filed.)

CHAPTER

AN ACT

Relating to the neglect of foreclosed residential real property; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) As used in this section:

(a) “Foreclosed residential real property” means residential property, as defined in ORS 18.901, that an owner obtains as a result of:

- (A) Foreclosing a trust deed on the residential property; or
- (B) Receiving a judgment that forecloses a lien on the residential property.

(b) “Neglect” means:

(A) To fail or a failure to maintain the buildings, grounds or appurtenances of foreclosed residential real property in such a way as to allow:

- (i) Excessive growth of foliage that diminishes the value of adjacent property;
- (ii) Trespassers or squatters to remain on the foreclosed residential real property or in a structure located on the foreclosed residential real property;
- (iii) Mosquito larvae or pupae to grow in standing water on the foreclosed residential real property; or
- (iv) Other conditions on the foreclosed residential real property that cause or contribute to causing a public nuisance.

(B) To fail or a failure to monitor the condition of foreclosed residential real property by inspecting the foreclosed residential real property at least once every 30 days with sufficient attention so as to prevent, or to identify and remedy, a condition described in subparagraph (A) of this paragraph.

(c) “Owner” means a person, other than a local government, that forecloses a trust deed by advertisement and sale under ORS 86.735 or by suit under ORS 88.010.

(d) “Reasonable costs” means actual and demonstrable costs that are commensurate with and do not exceed the market rate for services necessary to remedy a condition of neglect, plus the actual and demonstrable costs of administering a contract for services to remedy a condition of neglect or the portion of the costs of a program to remedy conditions of neglect that are attributable to remedying a condition of neglect for specific foreclosed residential real property.

(2)(a) An owner may not neglect the owner’s foreclosed residential real property during any period in which the foreclosed residential real property is vacant.

(b) An owner shall provide the owner’s name or the name of the owner’s agent and a telephone number or other means for contacting the owner or agent to:

(A) The neighborhood association for the neighborhood in which the foreclosed residential real property is located; or

(B) An official that the local government designates to receive the information described in this paragraph.

(c) An owner shall post a durable notice in a conspicuous location on the foreclosed residential real property that lists a telephone number for the owner or for the local government that a person may call to report a condition of neglect. The owner shall replace the notice if the notice is removed from the foreclosed residential real property during a period when the foreclosed residential real property is vacant.

(d) An owner or the agent of an owner shall identify the owner of the foreclosed residential real property to the local government and shall provide to, and maintain with, the local government current contact information during a period when the foreclosed residential real property is vacant.

(3)(a) If a local government finds a violation of subsection (2)(a) of this section, the local government shall notify the owner in writing of the foreclosed residential real property that is the subject of the violation and in accordance with paragraph (b) or (c) of this subsection, as appropriate, shall specify a time within which the owner must remedy the condition of neglect that is the basis for the local government's finding.

(b) The local government shall allow the owner not less than 30 days to remedy the violation unless the local government makes a determination under paragraph (c) of this subsection and shall provide the owner with an opportunity to contest the local government's finding at a hearing. The owner must contest the local government's finding within 10 days after the local government notifies the owner of the violation.

(c) If the local government determines that a specific condition of the foreclosed residential real property constitutes a threat to public health or safety, the local government may require an owner to remedy the specific condition in less than 30 days, provided that the local government specifies in the written notice the date by which the owner must remedy the specific condition. A local government may specify in the written notice different dates by which the owner must remedy separate conditions of neglect on the foreclosed residential real property.

(4)(a) After a local government allows an owner the time specified in subsection (3)(b) of this section or makes a determination under subsection (3)(c) of this section, the local government may remedy or contract with another person to remedy neglect or a specific condition of neglect on foreclosed residential real property and require the owner to reimburse the local government for reasonable costs the local government incurs under this paragraph.

(b) A local government that has incurred costs with respect to foreclosed residential real property under paragraph (a) of this subsection has a lien on the foreclosed residential real property for the sum of the local government's unreimbursed costs. A lien created under this paragraph is prior to all other liens and encumbrances, except that the lien has equal priority with a tax lien. The lien attaches at the time the local government files a claim of lien with the county clerk of the county in which the foreclosed residential real property is located. A local government may bring an action in the circuit court to foreclose the lien in the manner provided for foreclosing other liens on real or personal property.

SECTION 2. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage.

Passed by House April 25, 2013

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Ramona J. Line, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate May 30, 2013

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Peter Courtney, President of Senate

Received by Governor:

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Approved:

.....M,....., 2013

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M,....., 2013

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Kate Brown, Secretary of State