

**A-Engrossed**  
**House Bill 2662**

Ordered by the House April 19  
Including House Amendments dated April 19

Sponsored by Representative FREDERICK (Presession filed.)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Prohibits owner of foreclosed residential real property from neglecting foreclosed residential real property during period of vacancy. Permits local government to *[assess civil penalty for each day during which owner fails to remedy conditions of neglect]* **remedy or contract with another person to remedy condition of neglect that owner fails to remedy and to attach lien to foreclosed residential real property for costs of remediation.**

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to the neglect of foreclosed residential real property; and declaring an emergency.

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

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

5 (a) **"Foreclosed residential real property" means residential property, as defined in ORS**  
6 **18.901, that an owner obtains as a result of:**

7 (A) **Foreclosing a trust deed on the residential property; or**

8 (B) **Receiving a judgment that forecloses a lien on the residential property.**

9 (b) **"Neglect" means:**

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

12 (i) **Excessive growth of foliage that diminishes the value of adjacent property;**

13 (ii) **Trespassers or squatters to remain on the foreclosed residential real property or in**  
14 **a structure located on the foreclosed residential real property;**

15 (iii) **Mosquito larvae or pupae to grow in standing water on the foreclosed residential real**  
16 **property; or**

17 (iv) **Other conditions on the foreclosed residential real property that cause or contribute**  
18 **to causing a public nuisance.**

19 (B) **To fail or a failure to monitor the condition of foreclosed residential real property**  
20 **by inspecting the foreclosed residential real property at least once every 30 days with suffi-**  
21 **cient attention so as to prevent, or to identify and remedy, a condition described in subpar-**  
22 **agraph (A) of this paragraph.**

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

25 (d) **"Reasonable costs" means actual and demonstrable costs that are commensurate with**  
26 **and do not exceed the market rate for services necessary to remedy a condition of neglect,**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 plus the actual and demonstrable costs of administering a contract for services to remedy  
2 a condition of neglect or the portion of the costs of a program to remedy conditions of neg-  
3 lect that are attributable to remedying a condition of neglect for specific foreclosed resi-  
4 dential real property.

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

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

9 (A) The neighborhood association for the neighborhood in which the foreclosed residen-  
10 tial real property is located; or

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

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

18 (d) An owner or the agent of an owner shall identify the owner of the foreclosed resi-  
19 dential real property to the local government and shall provide to, and maintain with, the  
20 local government current contact information during a period when the foreclosed residen-  
21 tial real property is vacant.

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

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

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

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

45 (b) A local government that has incurred costs with respect to foreclosed residential real

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

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

11

---