

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	9 - 0 - 1
<b>Yeas:</b>	Gallegos, Gelser, Gomberg, Keny-Guyer, Lininger, Olson, Whisnant, Whitsett, Tomei
<b>Nays:</b>	0
<b>Exc.:</b>	Gilliam
<b>Prepared By:</b>	Cheyenne Ross, Administrator
<b>Meeting Dates:</b>	2/12

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**WHAT THE MEASURE DOES:** Requires notice of trustee's sale of foreclosed home to caution prospective purchasers that property may have been site of methamphetamine manufacture.

**ISSUES DISCUSSED:**

- History of measure; previously vetted as HB 3499 (2013)
- Foreclosed, auctioned homes, sold as-is with no opportunity for testing

**EFFECT OF COMMITTEE AMENDMENT:** Removes emergency clause and clarifies prospective application.

**BACKGROUND:** Methamphetamine (meth) is made from common household items that, when mixed together or "cooked" to produce the drug, generate a large amount of chemical waste. This waste can contaminate all surfaces where the methamphetamine is made, and if not properly decontaminated, residual wastes can persist on surfaces for years - even after decontamination there is risk of exposure to residuals and injury. The chemicals used to manufacture meth may cause 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 meth labs. The 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 that have not been cleaned up. These sites are unfit for use due to meth lab and/or storage activities, and considered uninhabitable until a certified decontamination contractor comes in and a certificate of fitness is issued by the Oregon Health Authority.

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, not properties where meth was used or where there is no documented history of methamphetamine manufacture. When real property acquired as a result of foreclosure is sold, three conditions often exist: it is sold "as is," the purchaser can forego home inspection (which does not include testing for meth contamination in any event), and the purchaser is responsible for detecting hazards like lead paint and asbestos, but not for the presence of meth-related contamination.

House Bill 4065A requires the notice of a trustee's sale of a foreclosed home to include a statement substantially similar to the following, to caution potential buyers and encourage testing: "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 a trustee's sale may have been used in manufacturing methamphetamines, the 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."

2/13/2014 1:09:00 PM

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