

**B-Engrossed**  
**House Bill 2195**

Ordered by the Senate May 18  
Including House Amendments dated April 23 and Senate Amendments  
dated May 18

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Human Services and Housing)

**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.

Directs county [*with population of less than 650,000, and permits county with population of 650,000 or more,*] to use proceeds acquired by foreclosure of delinquent tax liens or in exchange for land originally acquired by foreclosure of delinquent tax liens to [*provide*] **refund county general fund. Directs county with population of 650,000 or more to use proceeds acquired by foreclosure of delinquent tax liens or in exchange for land originally acquired by foreclosure of delinquent tax liens to provide** to youth and families with children housing placement and retention support services, rental assistance and low income housing. **Permits county with population of 650,000 or more to convey real property acquired by foreclosure of delinquent tax liens or in exchange for land originally acquired by foreclosure of delinquent tax liens.**

**A BILL FOR AN ACT**

1  
2 Relating to foreclosure of county tax lien on real property; creating new provisions; and amending  
3 ORS 275.275.

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

5 **SECTION 1.** ORS 275.275 is amended to read:

6 275.275. (1)(a) The proceeds arising under ORS 275.090 to 275.290 and 275.296 to 275.310 must  
7 be applied:

8 (A) First, to refund the county general fund for the full amount advanced by the county to pay  
9 the state tax upon all properties upon which the county has foreclosed liens for delinquent taxes;

10 (B) Second, to the county general fund in an amount equal to the penalty and fee described in  
11 ORS 312.120 for each property upon which the county has foreclosed a lien for delinquent taxes; and

12 [*(C) Third, to refund the county general fund for all the costs and expenses incurred by the county*  
13 *in the maintenance and supervision of such properties and in any suits by it to quiet its title to property*  
14 *sold. The proceeds applied as refunds under this subparagraph and subparagraph (A) of this para-*  
15 *graph shall not amount to more than the tax actually paid and the costs and expenses actually incurred*  
16 *by the county.]*

17 **(C) Third, to refund the county general fund for all the costs and expenses incurred by**  
18 **the county in the maintenance and supervision of the properties and in any suits or pro-**  
19 **ceedings by the county to quiet title to or to defend the county's title to property sold, in-**  
20 **cluding suits or land use proceedings to ascertain and determine the actual boundaries of the**  
21 **properties.**

22 **(b) The proceeds applied as refunds under paragraph (a)(A) and (C) of this subsection**  
23 **may not amount to more than the tax actually paid and the costs and expenses actually in-**

**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 **curred by the county.**

2 [(b)] (c) **Except as provided in paragraph (d) of this subsection**, after the refunds authorized  
3 under paragraph (a) of this subsection are made, the county treasurer shall credit to the county  
4 general fund proceeds arising under ORS 275.090 to 275.290 and 275.296 to 275.310 from the sale of  
5 real property acquired by the county in a manner other than by foreclosure of delinquent tax liens  
6 or by exchange for land originally acquired by foreclosure of delinquent tax liens. The proceeds  
7 described in this paragraph include payments for the real property sold under a purchase agreement  
8 pursuant to ORS 275.190 or 275.200.

9 **(d) In a county with a population of 650,000 or more, after the refunds authorized under**  
10 **paragraph (a) of this subsection are made, the county treasurer shall credit:**

11 **(A) The proceeds arising under ORS 275.090 from the sale of real property acquired by**  
12 **foreclosure of delinquent tax liens or by exchange for land originally acquired by foreclosure**  
13 **of delinquent tax liens to an account or fund, created in the discretion of the county treas-**  
14 **urer in or outside the county general fund, for use under ORS 271.330 to provide:**

15 **(i) Funds for housing placement and retention support services for youth and families**  
16 **with children;**

17 **(ii) Flexible rental assistance to place youth and families with children into housing; or**

18 **(iii) Funds to develop new low income housing that is affordable to youth and families**  
19 **with children with 30 percent or lower median family income.**

20 **(B) Except as described in subparagraph (A) of this paragraph, the proceeds arising under**  
21 **ORS 275.090 to 275.290 and 275.296 to 275.310 from the sale of real property acquired by the**  
22 **county in any manner, including payments for the real property sold under a purchase**  
23 **agreement pursuant to ORS 275.190 or 275.200, to the county general fund.**

24 (2) The proceeds arising under ORS 275.294:

25 (a) Must be credited to the county general fund by the county treasurer, if received from a lease  
26 or conveyance granting rights to explore, prospect for or remove biogas that is produced by de-  
27 composition of solid waste at any land disposal site or former land disposal site owned by the  
28 county. As used in this paragraph, "land disposal site" has the meaning given that term in ORS  
29 459.005.

30 (b) Must be segregated from the portion of the proceeds described in paragraph (a) of this sub-  
31 section and deposited in a separate account maintained by the county. Interest earned on the seg-  
32 regated portion of the proceeds must be credited to the account established under this paragraph.

33 (c) May be used, in an amount that does not exceed 10 percent of the proceeds, to reimburse a  
34 taxing district within the county for costs and expenses necessarily incurred by the district in pro-  
35 viding improved, additional or extraordinary services required on lands in the county as a result of  
36 exploration, drilling, mining, logging or other activities authorized under a lease or conveyance un-  
37 der ORS 275.294. As used in this paragraph, "improved, additional or extraordinary services" in-  
38 cludes, but is not limited to, fire protection and road construction and maintenance.

39 (d) May be used to reimburse the county for its actual costs and expenses incurred under this  
40 subsection and under ORS 275.294 for:

41 (A) The maintenance and supervision of a lease or conveyance granting rights to explore, pros-  
42 pect for, mine or remove valuable minerals, oil or gas from the lands;

43 (B) The maintenance and supervision of a lease or conveyance granting rights to conduct  
44 underground storage, as defined in ORS 520.005; and

45 (C) Litigation resulting from a lease or conveyance described in subparagraph (A) or (B) of this

1 paragraph.

2 (3)(a) After a portion of the proceeds arising under ORS 275.090 to 275.290 and 275.296 to 275.310  
3 and a portion of the proceeds arising under ORS 275.294 are applied as provided in subsections (1)  
4 and (2) of this section, the balance of the proceeds arising under ORS 275.090 to 275.290 and 275.296  
5 to 275.310 and the balance of the proceeds arising under ORS 275.294, including the payments for  
6 land sold under contract pursuant to ORS 275.190 or 275.200, must be distributed by the county  
7 treasurer as follows:

8 (A) First, to a municipal corporation that has filed a notice, in accordance with ORS 275.130,  
9 relating to a local improvement lien against the property from which the sale proceeds are derived.  
10 The amount of the distribution to each municipal corporation must be in the principal amount of the  
11 lien, plus the interest and any penalties that accrued to the date of sale of the property.

12 (B) Second, to governmental units in accordance with the formula provided in ORS 311.390 for  
13 the distribution of tax collections. The amount distributed to governmental units must be the amount  
14 remaining after the distribution, if any, under subparagraph (A) of this paragraph.

15 (b) Notwithstanding ORS 294.080, as used in this subsection, "balance of the proceeds" includes  
16 all accumulated interest earned on the proceeds arising under ORS 275.294 that are segregated  
17 pursuant to subsection (2)(b) of this section, unless a court of competent jurisdiction rules otherwise.

18 (4) Distribution of moneys under subsections (2) and (3) of this section must be made on or be-  
19 fore June 30 in each year.

20 (5) The county treasurer or auditor shall verify the costs and expenses to be reimbursed under  
21 subsection (2) of this section.

22 (6) The county treasurer shall distribute reimbursements under subsection (2) of this section in  
23 accordance with an order of the governing body of the county.

24 **(7) Notwithstanding subsection (1) of this section, a county with a population of 650,000**  
25 **or more may convey real property acquired by foreclosure of delinquent tax liens or by ex-**  
26 **change for land originally acquired by foreclosure of delinquent tax liens as provided in ORS**  
27 **271.330 or 311.796.**

28 **SECTION 2. The amendments to ORS 275.275 by section 1 of this 2015 Act apply to pro-**  
29 **ceeds and real property:**

30 **(1) Acquired by a county by foreclosure of a delinquent tax lien or by exchange for land**  
31 **originally acquired by foreclosure of delinquent tax liens; and**

32 **(2) Received by the county on or after the effective date of this 2015 Act.**

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