

# House Bill 2195

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 **as introduced**.

Directs county 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 low income housing, social services or child care services.

## 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  
13 county in the maintenance and supervision of such properties and in any suits by *[it to quiet its]* **the**  
14 **county to quiet** title to property sold.

15 (b) The proceeds applied as refunds under *[this subparagraph and subparagraph (A) of this par-*  
16 *agraph shall]* **paragraph (a)(A) and (C) of this subsection may** not amount to more than the tax  
17 actually paid and the costs and expenses actually incurred by the county.

18 *[(b) After the refunds authorized under paragraph (a) of this subsection are made, the county*  
19 *treasurer shall credit to the county general fund proceeds arising under ORS 275.090 to 275.290 and*  
20 *275.296 to 275.310 from the sale of real property acquired by the county in a manner other than by*  
21 *foreclosure of delinquent tax liens or by exchange for land originally acquired by foreclosure of delin-*  
22 *quent tax liens. The proceeds described in this paragraph include payments for the real property sold*  
23 *under a purchase agreement pursuant to ORS 275.190 or 275.200.]*

24 (c) **After the refunds authorized under paragraph (a) of this subsection are made, the**  
25 **county treasurer shall credit:**

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

30 (i) **Low income housing;**

**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 (ii) Social services; or
- 2 (iii) Child care services.

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

7 (2) The proceeds arising under ORS 275.294:

8 (a) Must be credited to the county general fund by the county treasurer, if received from a lease  
 9 or conveyance granting rights to explore, prospect for or remove biogas that is produced by de-  
 10 composition of solid waste at any land disposal site or former land disposal site owned by the  
 11 county. As used in this paragraph, “land disposal site” has the meaning given that term in ORS  
 12 459.005.

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

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

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

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

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

28 (C) Litigation resulting from a lease or conveyance described in subparagraph (A) or (B) of this  
 29 paragraph.

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

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

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

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

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

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

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

7 **SECTION 2. The amendments to ORS 275.275 by section 1 of this 2015 Act apply to pro-**  
8 **ceeds:**

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

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

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