
OPPOSITION TO SENATE BILL 968

TO: SENATOR LEE BEYER, CHAIR
MEMBERS OF THE SENATE COMMITTEE ON BUSINESS AND
TRANSPORTATION

FROM: OREGON COUNTY COUNSELS ASSOCIATION

SUBJECT: OPPOSITION TO SENATE BILL 968

DATE: APRIL 5, 2017

1. SB 968 will cloud the real property indexes as to who has actual interests in real property. The purpose of the indexes are to identify who has actual interests in real property. An agent of a beneficiary, as proposed by SB 968, does not have an actual interest. When the members of the public, local governments or others are required to notice those who have actual interest in real property (e.g. lien foreclosures, adverse possession actions, etc.), those with actual interests won't receive notice, as their identities won't be known. MERS does not share the information contained in its assignee databases. Real property needs to have a single, publicly accessible source to identify who has actual interests in real property. SB 968 authorizes the creation of private databases (MERS) and systems to track what needs to be publicly available information.
2. Further, numerous court cases in Oregon and other States have demonstrated that MERS' assignee databases are inaccurate. In other words, when MERS has recorded itself as the beneficiary, even though MERS does not have an actual interest, MERS itself does not consistently know and is unable to easily track who has the actual interests.
3. SB 968 will significantly decrease the number of documents recorded, which will significantly decrease the amount of money available to the State and counties:
 - a. That is dedicated for affordable housing programs, including the General Housing Account, the Emergency Housing Account and the Home Ownership Assistance Account. ORS 294.187(2)(b) dedicates a \$20 fee for the State per recorded document for these Affordable Housing programs.
 - b. That is dedicated for making the County Assessment Function Funding Assistance Account ("CAFFAA") grants to the counties. ORS 294.184 dedicates an \$11 fee for the State per recorded document to assist counties in paying for the cost of operating the County Assessors' Offices.
 - c. That is dedicated for paying the cost for operating the County Clerks' Offices. ORS 205.320(40)(b) dedicates a \$5 fee from the cost of recording.

- d. That is dedicated for paying for the cost of other County operations, including Surveyors' Offices work to preserve Land Corners. A\$10 fee for each recording is dedicated to the County Surveyors to preserve land corners.