

HB 3299 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 4/10, 4/14

WHAT THE MEASURE DOES:

Establishes liability to local government on owner of foreclosed residential real property when property remains unsold or vacant 270 days after foreclosure. Allows local government to file lien on property equal to \$10 per day. Applies to owners of property who hold more than \$10 million in real property in Oregon. Provides exception for property that is being renovated or remodeled. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The collapse of the housing market in 2008 caused an increase in foreclosure filings across the state. Vacant properties may be an eyesore in neighborhoods and become a nuisance. If a local government, such as a city, cannot locate the owner of the property, it may be difficult to remedy the nuisances created by vacant property. Legislation passed in 2013 (House Bill 2662) prohibits property owners from neglecting property during or after the foreclosure process. The 2013 legislation required the owner of the property to post contact information on the house, and to give such information to the local government or neighborhood association. Additionally, should neglect or nuisance arise on the property, the local government can require the owner to remedy the situation. If the owner does not provide a timely remedy, the local government is authorized to address the nuisance and attach a lien against the property for costs.

House Bill 3299 makes owners of more than \$10 million in real property liable to the local government where the owner has foreclosed on residential property and allowed the home to remain unsold or vacant for 270 days. The owner is liable for \$10 per day beginning on the 270th day after foreclosure. An exception is made if the property is being renovated or remodeled. The local government can file a claim of lien, which has priority to all other liens and encumbrances. Money collected must be deposited into a fund to assist in providing affordable housing.