

**HB 3116 B STAFF MEASURE SUMMARY**

**Carrier:** Sen. Dembrow

**Senate Committee On Business and General Government**

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**Action Date:** 05/09/19

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**Vote:** 3-0-0-2

**Yeas:** 3 - Dembrow, Hass, Riley

**Abs:** 2 - Girod, Olsen

**Fiscal:** No fiscal impact

**Revenue:** Has minimal revenue impact

**Prepared By:** Tyler Larson, LPRO Analyst

**Meeting Dates:** 5/2, 5/9

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**WHAT THE MEASURE DOES:**

Adds to prioritized list of required uses of proceeds from sales of foreclosed properties, for counties with a population of 650,000 or more, a requirement to repay properly noticed local government liens against such properties for utilities improvements or seismic rehabilitation. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Creation of Multnomah County's Commercial Property Assessed Clean Energy (CPACE) program
- Impact of 2015 measure which dedicated specified proceeds from county sales to affordable housing
- Benefits of making CPACE lenders a lienholder for specified proceeds from county sale of foreclosed property

**EFFECT OF AMENDMENT:**

Removes requirement that proceeds applied to specified expenses not exceed tax actually paid and the costs and expenses actually incurred by county.

**BACKGROUND:**

Current law requires counties to use proceeds from sales of foreclosed properties to pay delinquent taxes, corresponding penalties and fees, and costs and expenses for property maintenance and related legal actions. If the county has a population of at least 650,000, proceeds from the sale of properties that are foreclosed must be used to fund certain housing assistance for youth and families with children. Multnomah County is currently the only county in Oregon with a population over 650,000.

Multnomah County operates a Commercial Property Assessed Clean Energy (CPACE) program to finance energy efficiency and seismic improvements in commercial buildings. The program uses a benefits assessment, similar to a tax assessment, to finance eligible improvements, which the property owner pays for using energy savings for a finance period of up to 20 years. Under current statute, Multnomah County CPACE lenders are not treated as a lienholder when a property that received CPACE financing is foreclosed and liquidated.

House Bill 3116-B requires specified proceeds from the sales of foreclosed properties in counties with a population of 650,000 or more to satisfy local government liens against properties for utilities improvements or seismic rehabilitation. The measure allows Multnomah County CPACE lenders to act as a lienholder when a subject property is foreclosed and liquidated.