

Diane Belt

Oregon Association of County Tax Collectors

14530 NW Crane Ln. Yamhill OR 97148

503-407-0178

Joint Committee on the First Special Session of 2020-6/24 and 6/25

Committee Co-Chairs and members, my name is Diane Belt and I represent the Oregon Association of County Tax Collectors.

My testimony today is directed toward the dash 1 amendment of HB 4204.

The summary of the original bill calls for *temporary limitations on lenders being able to enforce default remedies on obligations secured by mortgages, trust deeds, land sale contracts or other instruments*. Property taxes become a lien on all real properties July 1 of each year. That tax liability remains a lien on the property until paid. After a prescribed period of time the property would then be subject to foreclosure.

The tax collectors have a few concerns about how this bill could possibly add an additional burden to property owners who may be subject to foreclosure this year. This could be avoided if the dash 1 amendments would be passed by the committee.

ORS 312.312 requires that the county begin foreclosure for delinquent property taxes three years from the earliest date of delinquency. This creates a conflict with HB 4204 in that the county would be required to complete the process only to have it dismissed.

Example: Delinquent taxes for tax year 2016/17 would begin the foreclosure process on July 15 of 2020.

All properties subject to foreclosure will be given several notices until the time for filing the foreclosure with the courts which is in September. From that point, the owner has 24 months in which to redeem the property by paying the taxes.

Under the current bill, if the courts dismiss our foreclosure, the tax payer will have to pay 2 years of delinquent taxes in order to not be included in the 2021 foreclosure.

Example: Delinquent taxes for the tax year 2016/17 and 2017/18 would need to be paid to avoid foreclosure in July of 2021.

The redemption period gives the property owner additional time to cure the tax delinquency. This exceeds the state of emergency declared on March 8, 2020 and any extension.

Section 1 paragraph (11)(B) page 7 of the dash one amendment would correct our concerns by including ORS 312 – tax foreclosure proceeding, as it relates to real property. We would recommend the passage of the dash 1 amendments to HB 4204.

I would be happy to provide any additional information or answer any questions you may have.