

*Tyler v. Hennepin
County*



Analysis of the *Hennepin* decision

- The Supreme Court ruled in *Tyler v. Hennepin County, Minnesota* (2023) that the remaining balance of surplus funds from tax-foreclosed properties are constitutionally protected under the Takings Clause of the 5th Amendment of the US Constitution.
- What happened?
- Requirements of *Hennepin*
 - Notice to former property owners of tax foreclosed properties of the possible existence of surplus funds;
 - A process to claim any possible funds; and
 - A reasonable time-period to claim any possible surplus.

Cases pending in
Oregon

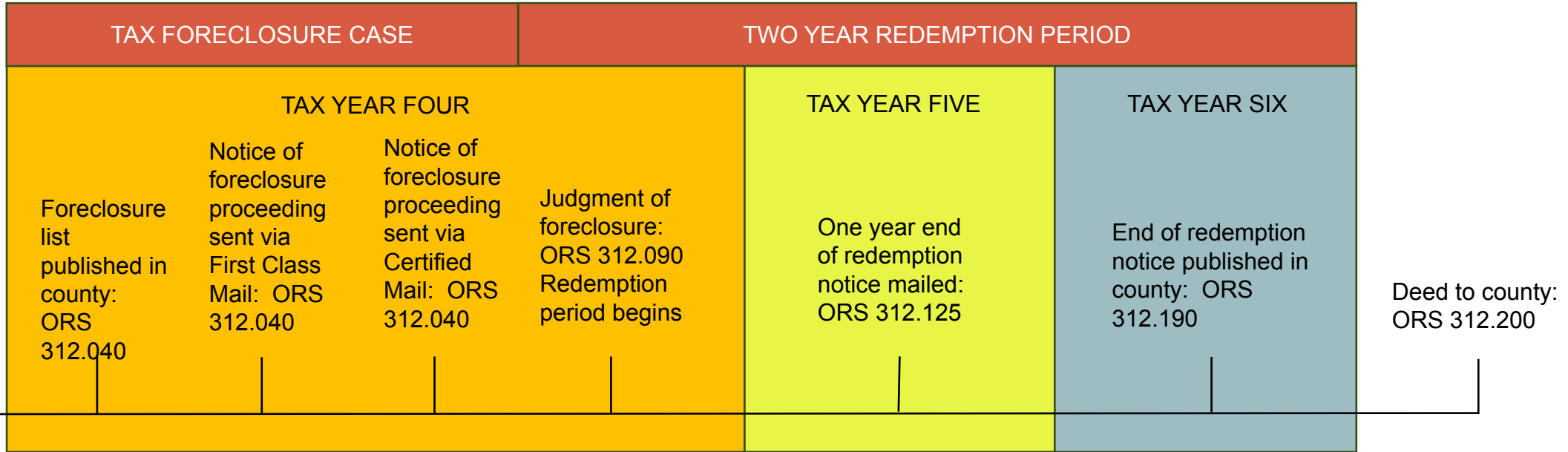
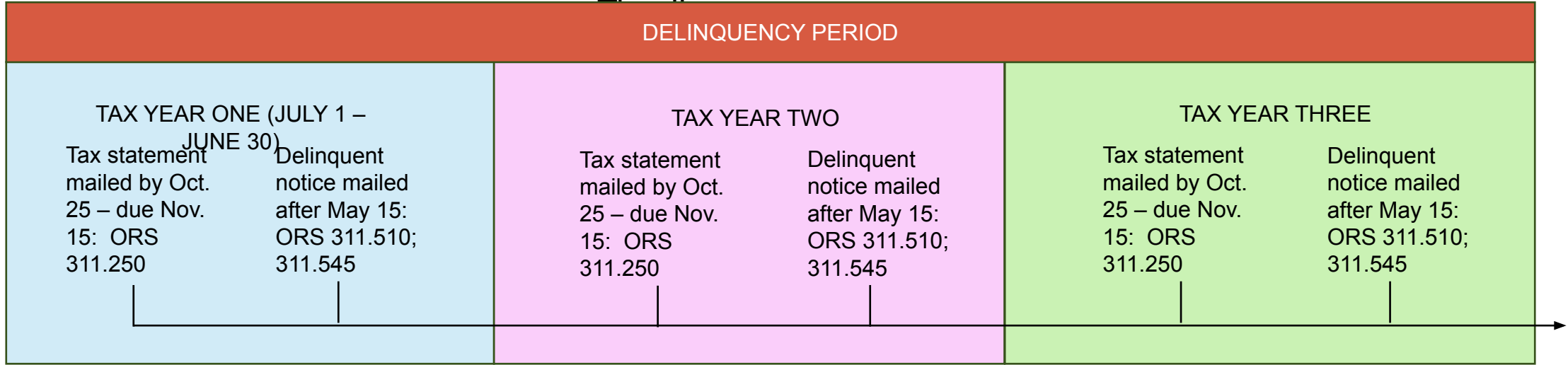


Pending Cases

- Three class actions (all counties implicated)
- Multiple individual cases in various counties across the state



Tax Foreclosure





Snapshot: 2013 Foreclosures

At time of:	Properties	Acres	Unpaid Taxes, Penalties & Interest	RMV*
Complaint 8/30/2013	54	159.64	\$225,103.92	\$5,886,100
Removed: 23				
Judgment 10/28/2013	31	70.36	\$114,017.48	\$3,159,510
Redeemed: 26				
Deed 1/27/2016	5	2.79	Approx. \$31,000	Approx. \$300,000

Josephine County has approx.
39,350 privately owned parcels

*RMV based on tax roll assessment

What Happened to those Properties?

- 1 acre

- Sold to record owner September 2016 for \$8,525 (outstanding taxes, penalties, interests, & costs)
- RMV at Sale: \$187,930

- 1 acre

- Sold at auction for \$25,200 April 25, 2017 (2nd time on auction)
- RMV at Sale: \$54,000

- 0.52 acre

- Sold pursuant to 3-year Land Sale Contract for \$27,000 on September 5, 2018 (4 attempts to auction before direct sale)
- RMV at Sale: \$63,360

- 0.16 acre

- Still own it – tiny sliver that not buildable and has no sale value
- Current RMV: \$0



Snapshot: 2018 Foreclosures

At time of:	Properties	Acres	Unpaid Taxes, Penalties & Interest	RMV*
Complaint 8/27/2018	60	478.44	\$224,523.37	\$8,325,950
Removed: 11				
Judgment 10/11/2018	49	455.21	\$159,530.53	\$6,155.220
Redeemed: 47				
Deed 3/10/2021	2	26.2	Approx. \$3,889.46	Approx. \$177,000

*RMV based on tax roll assessment

What Happened to those Properties?

- 24.9 acres

- Still own property
- Has been approved for sale on next auction
- Current RMV: \$67,570

- 1.3 acres

- Sold pursuant to 5-year Land Sale Contract for \$97,700 on December 1, 2021
- RMV at Sale: \$73,910

Events Leading to Foreclosure Include:



Major Trauma or Illness
Lack of Awareness of Taxes
Abandoned Property



SITUATIONS THAT NEED COUNTY INVOLVEMENT:

- Messy property, cost to clean exceeds value;
- Occupants living in unsafe or unhealthy conditions;
- Occupants need mental health assistance but resistant to ask for help;
- Invalid Ownership, set up in a non-existent LLC or Foundation;
- Death, no will, no probate, no heirs, or heirs unwilling to participate in probate



Deschutes County

Property Tax
Foreclosed Properties



*LC 107 – AOC
proposal creating
orderly process to
ensure people get
their refunds*

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