

D R A F T

SUMMARY

Digest: The Act would set up a means for the former owners of foreclosed real property to get the surplus after the property is sold by the county. (Flesch Readability Score: 60.3).

Provides for a process by which former owners of real property deeded to the county for delinquent property taxes may claim the surplus value after the property has been disposed of by the county.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to surpluses from the disposition of foreclosed property; creating
3 new provisions; amending ORS 312.040 and 312.125; and prescribing an
4 effective date.

5 **Be It Enacted by the People of the State of Oregon:**

FORECLOSURE NOTICES

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7
8
9 **SECTION 1.** ORS 312.040 is amended to read:

10 312.040. (1)(a) **At least 60 days but not more than 120 days prior to**
11 **the date of a foreclosure proceeding,** notice of *[each]* **the** foreclosure
12 proceeding shall be given by *[publication and by both certified and regular*
13 *first class mail as provided in this section]* **both of the following means:**

14 *[(a)]* **(A)** *[Notice shall be given by]* One publication of the foreclosure list
15 in a newspaper of general circulation in the county, to be designated by the
16 **governing body of the** county *[court or board of county commissioners]*. The
17 price charged by the newspaper shall be at the legal rate as provided by law.

18 A copy of the newspaper notice shall be mailed by the county to each in-

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 incorporated city in the county.

2 [(b)] (B) [In addition, notice of the foreclosure proceeding shall be sent by
3 certified and regular first class mail to the owner or owners] **Delivery of**
4 **notice to any owners, heirs of deceased owners, lienholders and**
5 **mortgagees**, as shown in the county deed records, of each property included
6 on the foreclosure list at the address or addresses as reflected in the county
7 records under ORS 93.260, 311.555 or 311.560.

8 (b) **Notwithstanding paragraph (a) of this subsection, if it is deemed**
9 **expedient, notice of the institution of a foreclosure proceeding may**
10 **be given by personal service. Notice by personal service shall be in lieu**
11 **of service by the means required under paragraph (a) of this sub-**
12 **section as to the defendant or defendants so served, and it shall not**
13 **be necessary to include in the publication of the foreclosure list the**
14 **names of such defendants or the descriptions or other matters relating**
15 **to their respective properties.**

16 (2) **For all notices of foreclosure proceedings, counties shall conduct**
17 **due diligence to locate property owners or heirs of deceased owners**
18 **by means including, but not limited to, searches of land, court and**
19 **other records, online databases and other resources and notification**
20 **of adjacent property owners.**

21 (3)(a) **Each notice of a foreclosure proceeding shall be made in**
22 **English and the five other most commonly spoken languages in this**
23 **state listed by the Secretary of State pursuant to ORS 251.167.**

24 (b) **Each notice shall include:**

25 (A) **The exact amount of unpaid taxes owed, including interest and**
26 **fees.**

27 (B) **The following language, in capital letters, in at least 20-point**
28 **type:**

29 _____
30 **WARNING: THERE ARE UNPAID TAXES AND FEES IN THE AMOUNT OF \$_____**
31 **ON PROPERTY AT (ADDRESS) WHICH YOU MAY OWN OR HAVE A LEGAL INTEREST**

1 IN. THE PROPERTY WILL BE DEEDED TO THE COUNTY AND YOUR INTEREST WILL
2 BE TERMINATED UNLESS THE BACK TAXES ARE PAID. THE REDEMPTION PERIOD
3 TO PAY THE BACK TAXES AND RETAIN YOUR PROPERTY ENDS ON (DATE). TO MAKE
4 PAYMENT, OR TO RECEIVE FURTHER INFORMATION ABOUT PAYMENT, CONTACT
5 (TAX COLLECTOR) IMMEDIATELY AT (ADDRESS), (TELEPHONE NUMBER).

6 IF THE PROPERTY IS DEEDED TO THE COUNTY AS A WAY OF COLLECTING THE
7 BACK TAXES OWED, AND THE PROPERTY IS WORTH MORE THAN YOU OWE, YOU
8 ARE ENTITLED TO A RETURN OF MONEY FROM THE COUNTY. IN ORDER TO RECEIVE
9 A NOTICE OF A POTENTIAL SURPLUS FROM THE COUNTY, PLEASE PROVIDE THE
10 COUNTY WITH NOTICE OF A CURRENT ADDRESS, AND UPDATE THAT ADDRESS IF
11 YOU MOVE.

12 THERE ARE GOVERNMENT AGENCIES AND NONPROFIT ORGANIZATIONS THAT
13 CAN GIVE YOU INFORMATION ABOUT FORECLOSURE AND HELP YOU DECIDE WHAT
14 TO DO. FOR GENERAL INFORMATION AT NO COST TO YOU, CONTACT A CERTIFIED
15 HOUSING COUNSELOR. YOU CAN FIND A HOUSING COUNSELOR NEAR YOU AT
16 [HTTPS://WWW.HUD.GOV/STATES/OREGON#HOMEOWNERSHIP](https://www.hud.gov/states/oregon#homeownership). YOU MAY ALSO WANT
17 TO TALK TO A LAWYER. YOU CAN REACH THE OREGON STATE BAR'S LAWYER RE-
18 FERRAL SERVICE AT 800-452-7636 (TOLL-FREE IN OREGON) OR VISIT THE WEBSITE
19 AT WWW.OSBAR.ORG. FREE LEGAL ASSISTANCE MAY ALSO BE AVAILABLE. FOR
20 MORE INFORMATION AND A DIRECTORY OF LEGAL AID PROGRAMS, GO TO
21 WWW.OREGONLAWHELP.ORG.

22 _____
23 **(C) At a minimum, the name, requirements and application process**
24 **of any existing property tax deferral program operated by this state**
25 **or by any county or municipal government within this state.**

26 **(D) Information regarding local lawyer referral services, legal aid**
27 **programs or foreclosure avoidance programs known by the county and**
28 **operated by local state agencies, the Oregon State Bar or charitable**
29 **nonprofit organizations that may be able to provide the owner with**
30 **assistance in the foreclosure process.**

31 **(c) A copy of the notice, including the warning statement required**

1 **under paragraph (b)(B) of this subsection, shall be posted in a con-**
2 **spicuous place on the property that is the subject of the notice by the**
3 **sheriff of the county in which the property is located.**

4 [(2)] (4) Each notice given under [*subsection (1) or (4) of*] this section shall
5 identify the particular property or properties that is the subject of the no-
6 tice.

7 [(3)] (5) All persons owning or claiming to own, or having or claiming to
8 have, any interest in [*any*] property included in the foreclosure list are re-
9 quired to take notice of [*such*] **the foreclosure** proceeding and of all steps
10 [*thereunder*] **under the proceeding.**

11 [(4) *If it is deemed expedient to do so, notice of the institution of the fore-*
12 *closure proceeding may be given by personal service. Notice by personal service*
13 *shall be in lieu of service by publication and certified and regular first class*
14 *mail required by subsection (1) of this section as to the defendant or defend-*
15 *ants so served, and it shall not be necessary to include in the publication of*
16 *the foreclosure list the names of such defendants or the descriptions or other*
17 *matters relating to their respective properties.*]

18 **SECTION 2.** ORS 312.125 is amended to read:

19 312.125. (1)(a) Not less than one year prior to the expiration of the period
20 of redemption of any real property ordered sold to the county under a judg-
21 ment under ORS 312.100, the tax collector shall provide notice of the expi-
22 ration of the period of redemption to any person or entity entitled to redeem
23 the property under ORS 312.120 (2) whose interest appears in the records of
24 the county as of the date foreclosure proceedings were instituted.

25 (b) Any person or entity whose interest has terminated by any means
26 other than a judgment of foreclosure under ORS 312.120 shall not be entitled
27 to such notice.

28 (c) **Counties shall conduct due diligence to locate interested prop-**
29 **erty owners or heirs of deceased owners by means including but not**
30 **limited to searches of land, court and other records, online databases**
31 **and other resources.**

1 [(2) *The notice shall contain:*]

2 **(2)(a) Each notice of the expiration of the period of redemption shall**
3 **be made in English and the five other most commonly spoken lan-**
4 **guages in this state listed by the Secretary of State pursuant to ORS**
5 **251.167.**

6 **(b) Each notice shall include:**

7 **(A) The exact amount of unpaid taxes owed, including interest and**
8 **fees.**

9 **(B) The following language, in capital letters, in at least 20-point**
10 **type:**

11 _____
12 **WARNING: THERE ARE UNPAID TAXES AND FEES IN THE AMOUNT OF \$_____**
13 **ON PROPERTY AT (ADDRESS) WHICH YOU MAY OWN OR HAVE A LEGAL INTEREST**
14 **IN. THE PROPERTY WILL BE DEEDED TO THE COUNTY AND YOUR INTEREST WILL**
15 **BE TERMINATED UNLESS THE BACK TAXES ARE PAID. THE REDEMPTION PERIOD**
16 **TO PAY THE BACK TAXES AND RETAIN YOUR PROPERTY ENDS ON (DATE). TO MAKE**
17 **PAYMENT, OR TO RECEIVE FURTHER INFORMATION ABOUT PAYMENT, CONTACT**
18 **(TAX COLLECTOR) IMMEDIATELY AT (ADDRESS), (TELEPHONE NUMBER).**

19 **IF THE PROPERTY IS DEEDED TO THE COUNTY AS A WAY OF COLLECTING THE**
20 **BACK TAXES OWED, AND THE PROPERTY IS WORTH MORE THAN YOU OWE, YOU**
21 **ARE ENTITLED TO A RETURN OF MONEY FROM THE COUNTY. IN ORDER TO RECEIVE**
22 **A NOTICE OF A POTENTIAL SURPLUS FROM THE COUNTY, PLEASE PROVIDE THE**
23 **COUNTY WITH NOTICE OF A CURRENT ADDRESS, AND UPDATE THAT ADDRESS IF**
24 **YOU MOVE.**

25 **THERE ARE GOVERNMENT AGENCIES AND NONPROFIT ORGANIZATIONS THAT**
26 **CAN GIVE YOU INFORMATION ABOUT FORECLOSURE AND HELP YOU DECIDE WHAT**
27 **TO DO. FOR GENERAL INFORMATION AT NO COST TO YOU, CONTACT A CERTIFIED**
28 **HOUSING COUNSELOR. YOU CAN FIND A HOUSING COUNSELOR NEAR YOU AT**
29 **[HTTPS://WWW.HUD.GOV/STATES/OREGON#HOMEOWNERSHIP](https://www.hud.gov/states/oregon#homeownership). YOU MAY ALSO WANT**
30 **TO TALK TO A LAWYER. YOU CAN REACH THE OREGON STATE BAR'S LAWYER RE-**
31 **FERRAL SERVICE AT 800-452-7636 (TOLL-FREE IN OREGON) OR VISIT THE WEBSITE**

1 AT WWW.OSBAR.ORG. FREE LEGAL ASSISTANCE MAY ALSO BE AVAILABLE. FOR
2 MORE INFORMATION AND A DIRECTORY OF LEGAL AID PROGRAMS, GO TO
3 WWW.OREGONLAWHELP.ORG.

4 _____
5 [(a)] (C) The date of the judgment;

6 [(b)] (D) The date of expiration of the period of redemption;

7 [(c)] (E) A warning to the effect that the property ordered sold under the
8 judgment, unless sooner redeemed, will be deeded to the county immediately
9 on expiration of the period of redemption [*and that every right or interest of*
10 *any person in the property will be forfeited forever to the county*];

11 [(d)] (F) A legal description of the property and a tax account number;
12 [*and*]

13 [(e)] (G) The name of the owner as it appears on the latest tax roll[.];

14 (H) **Information regarding an owner's right to claim a surplus, if**
15 **any, under sections 3 to 9 of this 2025 Act;**

16 (I) **Information regarding local lawyer referral services, legal aid**
17 **programs or foreclosure avoidance programs known by the county and**
18 **operated by local state agencies, the Oregon State Bar or charitable**
19 **nonprofit organizations that may be able to provide the owner with**
20 **assistance in the foreclosure process; and**

21 (J) **Information regarding any relief programs including but not**
22 **limited to exemptions, grants or payment plans that are available to**
23 **the owner.**

24 (3)(a) The notice required [*to be given under subsections (1) and (2) of*]
25 **under** this section shall be given by both certified mail and by regular first
26 class mail and subsections (4) and (5) of this section shall apply to both
27 mailings.

28 (b) **A copy of the notice shall be posted to the county's public**
29 **website.**

30 (4)(a) If the notice required under [*subsections (1) and (2) of*] this section
31 is to be given to an owner, the notice shall be addressed to the owner or

1 owners, as reflected in the county records of deeds, at the true and correct
2 address of the owner as appearing on the instrument of conveyance under
3 ORS 93.260 or as furnished under ORS 311.555 or as otherwise ascertained
4 by the tax collector pursuant to ORS 311.560.

5 (b) If the person or entity to whom the notice is required under subsection
6 (1) of this section to be given is a lienholder, or person or entity other than
7 the owner, having or appearing to have a lien or other interest in the prop-
8 erty, the notice shall be addressed to the lienholder, person or entity at the
9 address that the tax collector knows or after reasonable inquiry has reason
10 to believe to be the address at which the lienholder, person or entity will
11 most likely receive actual notice. For the convenience of the county, any
12 lien, instrument or other document, memorandum or writing, filed on or after
13 September 27, 1987, that creates an interest with respect to which notice is
14 required to be given under this paragraph, shall contain:

15 (A) The address of the person or entity holding lien or other interest
16 created by the instrument or other document, memorandum or writing; and

17 (B) The tax account number, if any, and if known, of the property subject
18 to the lien or in which the interest is created.

19 (5) Failure of a lien, instrument or other document, memorandum or other
20 writing to contain the address and tax account number information required
21 under subsection (4)(b) of this section does not invalidate the lien, instru-
22 ment or other document, memorandum or writing, nor shall the failure of the
23 writing to contain the information relieve the tax collector of the duty to
24 obtain and mail the notice required under subsection (4)(b) of this section
25 to the address that the tax collector believes to be the address at which the
26 lienholder, person or entity is most likely to receive actual notice.

27 (6) For purposes of subsection (4)(b) of this section, if the lienholder is a
28 corporation or a limited partnership, the tax collector shall be considered to
29 have made reasonable inquiry if the notice is mailed to the registered agent
30 or last registered office of the corporation or limited partnership, if any, as
31 shown by the records on file in the office of the Corporation Commissioner,

1 or if the corporation or limited partnership is not authorized to transact
2 business in this state, to the principal office or place of business of the cor-
3 poration or limited partnership.

4 (7)(a) As used in this section, “records of the county” means the follow-
5 ing:

6 (A) The grantor-grantee indexes.

7 (B) Other records of deeds, mortgages, powers of attorney, contracts and
8 other instruments, documents or memorandum of conveyance or otherwise
9 of real property that are described in ORS 205.130 (1) and (2).

10 (C) The County Clerk Lien Record described in ORS 205.130 (3).

11 (D) Records of federal tax liens and other liens, instruments or other
12 documents or writings reflecting an interest in real property described in
13 ORS 205.246, if those records are kept separately from the records described
14 in paragraph (b) of this subsection.

15 (E) Records of statutory liens on real property described in ORS 87.372.

16 (F) Any other records of interests in real property required to be kept by
17 the county clerk, if the records contain a legal description of the property
18 and an address specifically designated as indicated on the instrument, docu-
19 ment or other memorandum or writing for purposes of mailing the notice
20 required by this section.

21 (b) For purposes of this section [*only*], “records of the county” includes:

22 (A) The appropriate records of the courts described in ORS 7.010 in the
23 custody of the clerk of the appropriate court or court administrator under
24 ORS 7.110; and

25 (B) Probate records in the custody of the clerk of the appropriate court
26 or court administrator under ORS 7.230 and 7.240. Notwithstanding any
27 provision to the contrary in ORS chapter 7 or other law, the clerk of the
28 appropriate court or the court administrator shall make available to and
29 assist the tax collector in the examination of the records described in this
30 paragraph for purposes of carrying out the obligations of the tax collector
31 under this section without charge.

1 **SECTION 3. Notice of surplus. (1) Within 60 days after the date on**
2 **which a claim for a surplus could arise under section 7 of this 2025**
3 **Act, the county shall deliver notice of a surplus to:**

- 4 **(a) The claimant at the claimant's last known address;**
- 5 **(b) The Estates Administration Program of the State Treasury;**
- 6 **(c) The Department of Revenue;**
- 7 **(d) The Department of Justice; and**
- 8 **(e) The municipality, if any, in which the property to which the**
9 **surplus relates is located.**

10 **(2) Each notice shall be made in English and the five other most**
11 **commonly spoken languages in this state listed by the Secretary of**
12 **State pursuant to ORS 251.167.**

13 **(3) Each notice shall include:**

14 **(a) At the top of the notice in capital letters, in at least 20-point**
15 **type, the following language:**

17 **NOTICE: YOU ARE ENTITLED TO A REFUND OF MONEY HELD BY THE COUNTY.**
18 **TO RECEIVE MORE INFORMATION AND ASSISTANCE, CONTACT THE OREGON STATE**
19 **TREASURY AT (ADDRESS) (PHONE NUMBER). THERE ARE GOVERNMENT AGENCIES**
20 **AND NONPROFIT ORGANIZATIONS THAT CAN GIVE YOU INFORMATION ABOUT**
21 **FORECLOSURE AND HELP YOU DECIDE WHAT TO DO. FOR GENERAL INFORMATION**
22 **AT NO COST TO YOU, CONTACT A CERTIFIED HOUSING COUNSELOR. YOU CAN FIND**
23 **A HOUSING COUNSELOR NEAR YOU AT**
24 **HTTPS://WWW.HUD.GOV/STATES/OREGON#HOMEOWNERSHIP. YOU MAY ALSO WANT**
25 **TO TALK TO A LAWYER. YOU CAN REACH THE OREGON STATE BAR'S LAWYER RE-**
26 **FERRAL SERVICE AT 800-452-7636 (TOLL-FREE IN OREGON) OR VISIT THE WEBSITE**
27 **AT WWW.OSBAR.ORG. FREE LEGAL ASSISTANCE MAY ALSO BE AVAILABLE. FOR**
28 **MORE INFORMATION AND A DIRECTORY OF LEGAL AID PROGRAMS, GO TO**
29 **WWW.OREGONLAWHELP.ORG.**

31 **(b) The following information in clear and understandable terms:**

1 (A) The amount of the surplus that the county has determined is
2 owed to the claimant;

3 (B) An explanation of who may be a claimant;

4 (C) An explanation of the process by which a claimant may file a
5 claim under section 8 of this 2025 Act; and

6 (D) The claimant's right to seek a writ of review of the surplus
7 from the county circuit court under ORS 34.010 to 34.100 and the
8 deadline for filing for the writ.

9 (4) Publication of an available surplus, a description of the property
10 to which the surplus relates, the names of the claimants and infor-
11 mation about the process by which a claimant may file a claim under
12 section 8 of this 2025 Act shall be made available on the websites of
13 the state and the county in which the property is located.

14 **SECTION 4. Additional notices.** A county shall provide notice to the
15 Department of Revenue, the Department of Justice and the munici-
16 pality, if any, in which the property is located:

17 (1) That proceedings to foreclose liens for delinquent taxes on the
18 property have been instituted under ORS 312.050, to be provided on the
19 date on which the proceedings are instituted; and

20 (2) That one year remains before the period of redemption for the
21 property expires under ORS 312.120, to be provided not less than one
22 year prior to the expiration of the period of redemption.

23

24

DEFINITIONS

25

26 **SECTION 5. Definitions.** As used in sections 3 to 9 of this 2025 Act:

27 (1)(a) "Claimant" means:

28 (A) The owner of real property at the time the property was sold
29 to the county on foreclosure for delinquent taxes under ORS 312.100;
30 or

31 (B) The former owner's estate, heirs, devisees, power of attorney,

1 trustee, guardian, custodian or bankruptcy estate or a successor in
2 interest that has acquired substantially all of the former owner's as-
3 sets by intestate succession, probate, merger, acquisition, dissolution
4 or takeover.

5 (b) "Claimant" does not include:

6 (A) The creditors or garnishor of a claimant;

7 (B) Other persons holding an interest in the property that was sold
8 to the county; or

9 (C) Voluntary or involuntary assignees of a claimant's interest in
10 a surplus.

11 (2) "Fair market value" has the meaning given that term in ORS
12 195.332.

13 (3) "Former owner" means an owner described in subsection
14 (1)(a)(A) of this section.

15 (4) "Surplus" means an amount equal to the value of real property
16 sold to a county on foreclosure under this chapter and disposed of by
17 the county in accordance with section 6 of this 2025 Act less the al-
18 lowable costs to the county as determined under section 7 of this 2025
19 Act.

20

21 **DISPOSITION OF FORECLOSED PROPERTY**

22

23 **SECTION 6. Sale, retention or transfer of foreclosed property; de-**
24 **posit of sale proceeds.** (1) Except as provided in subsection (4) of this
25 section, after the expiration of the statutory redemption period under
26 ORS 312.120 or 312.122, the county shall sell the property by listing the
27 property for sale, with a real estate broker or agent who does not hold
28 an elected or appointed office and is not employed by any government
29 entity, at the highest price at which the property is reasonably ex-
30 pected to sell.

31 (2)(a) If, after three attempts, a county is unable to enter into an

1 **agreement with a real estate broker or agent for the sale of the prop-**
2 **erty or the real estate broker or agent is unable to sell the property**
3 **within 12 months after listing the property for sale, the county shall**
4 **conduct a public, high-bid auction for sale of the property.**

5 **(b) The property shall be sold to the highest bidder at auction,**
6 **provided the bid exceeds the outstanding taxes and allowable costs**
7 **owing on the property.**

8 **(c) The auction shall include the following:**

9 **(A) An online bidding process in which bids are received electron-**
10 **ically over the Internet in real time.**

11 **(B) Advertisements in a multiple listing service for at least 30 days**
12 **prior to the date of the auction.**

13 **(C) If a private party is engaged to operate and advertise the auc-**
14 **tion, a limited fee to the private party in an amount equal to three**
15 **percent of the surplus related to the property.**

16 **(D) A minimum starting bid of two-thirds of the property's fair**
17 **market value, which shall be the higher of a current appraisal or**
18 **current assessment conducted within 60 days after the expiration of**
19 **the redemption period. The appraisal shall be conducted by a licensed**
20 **appraiser that is unaffiliated with the county.**

21 **(3) Upon sale of real property foreclosed under this chapter, the**
22 **county treasurer shall deposit the gross amount of the sales proceeds**
23 **in a separate, interest-bearing account until the amount of the surplus**
24 **has been determined. Interest earned on the proceeds in the account**
25 **shall be included in the amount to be distributed.**

26 **(4)(a) After the expiration of the statutory redemption period, the**
27 **county may retain the property for public purposes or transfer title**
28 **to the property to a nonprofit organization for purposes of public**
29 **benefit.**

30 **(b) If the county retains the property or transfers title to a**
31 **nonprofit organization, the county shall determine the fair market**

1 value of the property with a current, third-party appraisal or current
2 assessment, whichever is greater, conducted within 60 days after the
3 expiration of the redemption period.

4
5 **SURPLUSES**
6

7 **SECTION 7. Determination of surplus.** (1) The amount of a surplus
8 shall be determined within 60 days after the date on which the gross
9 sales proceeds from the sale of the property are deposited in a sepa-
10 rate, interest-bearing account under section 6 (3) of this 2025 Act or
11 the value has otherwise been determined under subsection (2) of this
12 section.

13 (2)(a)(A) In determining a surplus, the value of the property is the
14 stated consideration on a deed from the county to a bona fide pur-
15 chaser, as defined in ORS 275.088, if any.

16 (B) If the county has not sold the property to a bona fide purchaser,
17 the value of the property is the fair market value of the property as
18 of the date on which it is deeded to the county.

19 (C) In the absence of a sale or an appraisal or other reliable indi-
20 cation of fair market value, the value of the property is the real
21 market value of the property as shown on the tax statement for the
22 property tax year in which the claim arose.

23 (b)(A) For purposes of this subsection, the fair market value of the
24 property shall be the higher of a current appraisal of the property,
25 conducted within 60 days after the expiration of the redemption period,
26 by a licensed appraiser that is unaffiliated with the county, or the
27 current assessment of the property for ad valorem property tax pur-
28 poses.

29 (B) The county shall procure an appraisal if the real market value
30 or assessed value of the property exceeds \$10,000 for the property tax
31 year in which the claim arose.

1 **(3) In determining a surplus, the allowable costs that the county**
2 **may elect to deduct from the value of the property include:**

3 **(a) The amount of the judgment under ORS 312.090 and accruing**
4 **post-judgment interest;**

5 **(b) The amount of taxes and interest on the taxes that would have**
6 **been due following the judgment during the redemption period and**
7 **through the earlier of:**

8 **(A) The date on which the county sold or conveyed the property to**
9 **a third party; or**

10 **(B) The date on which the claim is made;**

11 **(c) Additional costs that the county may claim under ORS 275.275**
12 **(1)(a) to (c);**

13 **(d) Costs to reimburse the claim of a municipal corporation that**
14 **has filed a claim notice under ORS 275.130;**

15 **(e) Penalties allowed under ORS 312.990, or the actual costs paid by**
16 **the county to mitigate or abate a nuisance, including as described in**
17 **ORS 105.555, that was caused or permitted by the negligence or neglect**
18 **of the former owner; and**

19 **(f) In lieu of the penalty and fee under ORS 312.120, the reasonable**
20 **fees of the foreclosure and sale of the property, including the costs of**
21 **legal fees, delivering notices, county staff time, court filing fees, ap-**
22 **praisals, professional real estate commission and auction fees.**

23 **(4) The county shall provide a claimant with an itemized accounting**
24 **of all allowable costs deducted when determining the surplus.**

25 **SECTION 8. Claim of surplus.** (1) **A claimant is entitled to a return**
26 **of the amount of a surplus, if any, from the disposition of the**
27 **claimant's property, as determined under section 7 of this 2025 Act,**
28 **upon the earliest of the date on which the county:**

29 **(a) Sells, transfers, exchanges, leases for a period of more than one**
30 **year or otherwise disposes of the property under ORS chapter 275; or**

31 **(b) Determines that the county will retain the property for public**

1 purposes or transfer title to a nonprofit organization for purposes of
2 public benefit.

3 (2) A claim for a surplus must be made with the State Treasurer in
4 the manner provided by ORS 98.392 and 98.396.

5 (3)(a) If the estate of a deceased former owner will not be probated,
6 the State Treasurer shall allow a claim to be made by the heirs,
7 devisees or a person named as a personal representative in the de-
8 ceased former owner's will or an estate administrator appointed by the
9 State Treasurer.

10 (b) A claim made under this subsection must include:

11 (A) A copy of the former owner's death certificate;

12 (B) A copy of the former owner's will, if any;

13 (C) A statement that the estate is not being probated and that a
14 small estate affidavit is not being filed for the estate;

15 (D) The identity of each beneficiary of the claim;

16 (E) The proportion of the surplus distributable to each beneficiary;
17 and

18 (F) Signatures of all beneficiaries of the claim acknowledging their
19 participation in the claim.

20 (c) If there are multiple heirs, an heir who has occupied the prop-
21 erty as a primary residence for more than one year is presumed to
22 have authority to receive the surplus on behalf of all heirs, in the ab-
23 sence of a written agreement among heirs or objection by a nonresi-
24 dent heir.

25 (4) A claimant does not have any interest in a surplus during the
26 period of redemption or any other time prior to the date on which the
27 claim arises under subsection (1) of this section.

28 (5)(a) A person other than a claimant may claim the surplus based
29 upon a valid lien against the property or a debt of the claimant.

30 (b) Any purported assignment of a claim to the surplus is void ex-
31 cept for an assignment made for the protection of the interests of the

1 claimant, including an assignment in a bankruptcy proceeding, power
2 of attorney or custodianship or guardianship proceedings.

3 (6) Nothing in sections 3 to 9 of this 2025 Act extinguishes any debt
4 obligation of a former owner that is outstanding as of the date on
5 which title to the property is conveyed to the county under ORS
6 312.270, other than the property tax amounts that were extinguished
7 by the conveyance to the county.

8 **SECTION 9. Surplus as unclaimed property.** (1) A surplus is un-
9 claimed property under ORS 98.302 to 98.436.

10 (2) The governing body of the county shall file the report and de-
11 liver a surplus in the amount determined under section 7 of this 2025
12 Act to the State Treasurer for deposit as provided in ORS 98.352.

13 (3) The report shall include an itemized accounting of all allowable
14 costs deducted from the value of the property when determining the
15 surplus under section 7 (3) of this 2025 Act.

16
17 **PROCEDURAL SECTIONS**
18

19 **SECTION 10.** Sections 3 to 9 of this 2025 Act are added to and made
20 a part of ORS chapter 312.

21 **SECTION 11. Applicability to new foreclosures.** (1) Sections 3 to 9
22 of this 2025 Act and the amendments to ORS 312.040 and 312.125 by
23 sections 1 and 2 of this 2025 Act apply to claims for which the claimant
24 received notice under ORS 312.125 on or after May 25, 2023.

25 (2) For claims for a surplus that could arise under section 7 of this
26 2025 Act with respect to which the claimant received notice under ORS
27 312.125 before the effective date of this 2025 Act, the notice of a surplus
28 required under section 3 of this 2025 Act shall be made within 60 days
29 after the effective date of this 2025 Act.

30 **SECTION 12.** The unit and section captions used in this 2025 Act
31 are provided only for the convenience of the reader and do not become

1 **part of the statutory law of this state or express any legislative intent**
2 **in the enactment of this 2025 Act.**

3

4

EFFECTIVE DATE

5

6 **SECTION 13. This 2025 Act takes effect on the 91st day after the**
7 **date on which the 2025 regular session of the Eighty-third Legislative**
8 **Assembly adjourns sine die.**

9
