

Submitted Written Testimony for House Revenue Committee

Chair Nathanson, Vice Chairs Reschke and Walters, and members of the Revenue Committee.

This submitted written testimony below is from Kellie Hancock, the Property Manager for Lane County. The information below is in response to the question from Rep. Smith regarding whom sets and how is the price set for the auction related to the sale of tax foreclosed properties.



Auction Process

ORS 275.120 Upon receipt of a certified copy of the order referred to in ORS 275.110, the sheriff shall publish a notice of the sale of such property in a newspaper of general circulation, printed and published in the county where the land is situated, once each week for four consecutive weeks prior to such sale.

- (1) The notice shall state: (a) The time and place of sale; (b) The description of the property or interest therein to be sold; (c) if available from the tax roll, the real market value of the property or interest to be sold as evidenced by the last roll certified under ORS 311.105 on which the property was included; (d) The minimum price for the property or interest to be sold, as fixed by the governing body of the county, which may be lower than the tax roll value; (e) The date of the order directing the sale; (f) Such other matters as the governing body of the county deems pertinent.
- (2) Proof of publication of the notice shall be made in the same manner as proof of publication of summons is made and shall be filed by the sheriff within the county clerk of the county and then recorded in the deed record of the county.

Minimum bid amounts are decided by the County Property Manager and presented to the Board of Commissioners in the same board order that requests the sheriff's sale. Some factors to be considered are location, condition, access, improvements, and the current real estate market value as evidenced on the assessor tax roll. Much as a real estate agent decides at what price to list a home, a property manager takes into consideration these factors, as well as using their own experience and knowledge, when determining an opening bid amount. The minimum bid should include back taxes and expenses incurred in managing and cleaning the property (if applicable). In most cases, the starting bid is well below the estimated market value. This is preferred, to generate interest and excitement for the auction. At times, the winning bid can be at or above market value, based on a bidder's perception of value.

275.130 Claims of municipal corporations against the land to be filed prior to sale. "...A noticed filed within the time and in the manner permitted under this section shall preserve the rights of a municipal corporation to a distribution under ORS 275.275 (3)(a)(A).

It should be noted that this process exists to preserve a lien from a city.