

HB 4064 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Meeting Dates: 2/10, 2/12

WHAT THE MEASURE DOES:

The measure establishes how homeowners association (HOA) or condominium association assessments apply to property that has been transferred to a county through property tax foreclosure. It provides that association assessments continue to accrue while the county holds title to the property and that those unpaid assessments create a lien against the property. The measure specifies that a subsequent purchaser or the county if the county leases or permanently retains the property is responsible for payment and sets deadlines for satisfying the lien. It also prohibits liens from including certain costs related to fines, penalties or attorney fees arising from association violations of law and authorizes associations to record liens and requires them to notify the county of assessments. It establishes the applicability and timing of the new assessment provisions and appropriates \$4.3 million from the General Fund to the Oregon Department of Administrative Services for the 2025-27 biennium to distribute to Fishhawk Lake Reserve & Community, Inc. to repay a loan that was taken out to pay an outstanding fine imposed by the Department of Environmental Quality. It directs that the creation, recording, enforcement, and foreclosure of liens against a lot or a unit deeded to a county by tax foreclosure must follow the requirements and timelines set out in this measure when the property has been deeded to a county under ORS 312.200. The measure takes effect on the 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Property assessments refer to the fees or dues that property owners must pay to cover shared expenses. These fees help maintain common areas (like parks, roads, and clubhouses), provide services (such as trash collection and security), and fund necessary repairs or improvements within the community. Property assessments typically remain tied to the property itself rather than the individual owner. This means that when a property changes ownership (whether through sale, foreclosure, or transfer) the obligation to pay assessments usually transfers to the new owner. Oregon statute (ORS 94.550 and ORS 100.005) permits a HOA to impose or levy an assessment against an owner in accordance with the bylaws of the planned community. HOAs rely on these assessments to fund their operations, so they continue to apply regardless of who holds the title. Counties in Oregon may take ownership of properties for several reasons. These transfers often happen involuntarily, meaning the county does not seek to acquire the property but becomes responsible for it due to legal or financial circumstances. If a property owner fails to pay property taxes for an extended period, the county can foreclose on the property and take ownership to recover unpaid taxes. Counties typically sell these properties at auction, but until they do, they are responsible for managing them. Properties that are abandoned or in serious disrepair may be taken over by the county for health, safety, or community revitalization purposes. Local governments may seize such properties to prevent hazards like fire risks, vandalism, or illegal activity. A county may acquire private property for public projects (e.g., road expansion, parks, government buildings) through eminent domain or negotiated purchases. In

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some cases, properties become county-owned through legal settlements, probate (when an owner dies without heirs), or donation. When a county acquires a property, it often inherits financial obligations associated with it, including HOA assessments, maintenance costs, and potential liens.

PRELIMINARY