

Hand Engrossed

Senate Bill 929

Sponsored by Senator PROZANSKI (at the request of Scott Rohter)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Changes procedures for local government to sell land and improvements to enforce liens or unpaid assessments for local improvements. Establishes minimum sale price based on specified factors. Returns amount of sale in excess of debt to debtor.

A BILL FOR AN ACT

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Relating to sale of real property to enforce lien for local improvements; creating new provisions; and amending ORS 223.505, 223.520 and 223.525.

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

SECTION 1. ORS 223.505 is amended to read:

223.505. As used in ORS 223.505 to 223.595[*unless the context requires otherwise,*]:

(1) "Lawfully established unit of land" has the meaning given that term in ORS 92.010.

(2) "Tract" has the meaning given that term in ORS 215.010.

(3) "Treasurer" means the officer designated by charter or ordinance of the local government to collect unpaid liens or assessments, take all steps necessary to enforce delinquent liens or assessments and to maintain records pertaining to collection proceedings thereon.

SECTION 2. ORS 223.520 is amended to read:

223.520. Upon receipt of the list described in ORS 223.515, the treasurer shall proceed to collect the unpaid liens or final assessments named in the list by advertising and selling the [lots or tracts] **lawfully established units of land or tracts** in the manner now provided by law for the sale of real property on execution, except as otherwise provided in ORS 223.525 to 223.580 and except that sale may be made at [such] **the** place within the boundaries of the local government [as may be] designated in the notice of sale.

SECTION 3. ORS 223.525 is amended to read:

223.525. [Each piece or tract of land shall be sold, separately, and for a sum equal to but not exceeding the unpaid lien or final assessment thereon and the interest, penalty and cost of advertising and sale. If there is more than one bid the land shall be sold to the bidder first offering to take it for the amount accrued thereon. No levy upon such lots or parcels of land shall be required except that a notice shall be posted four consecutive weeks before the sale upon every lot or parcel.]

(1) Each lawfully established unit of land or tract must be sold separately and for a sum equal to the lesser of:

(a) ^{Real} The market value of the land and the improvements on the land, plus interest, penalties and the costs of conducting the sale;

(b) The total assessed value of the land and improvements as determined by the assessor of the county in which the land and improvements are located; *plus interest, penalties, and costs*

(c) The fair market value of the land and improvements as determined by an independent

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 real estate appraisal, *PLUS interest, penalties, and costs*

2 (2) If none of the bids equal or exceed a sum described by subsection (1) of this section
3 or the sale is not completed for any other reason, a second sale must be held not less than
4 ~~90~~ 180 days after the initial sale. At the second sale, the land and improvements may be offered
5 for 90 percent of the lowest sum described in subsection (1) of this section.

6 (3) If none of the bids equal or exceed the sum described by subsection (2) of this section
7 or the sale is not completed for any other reason, a third sale must be held not less than *180 days*
8 ~~one year~~ after the initial sale. At the third sale, the land and improvements may be offered
9 for 80 percent of the lowest sum described in subsection (1) of this section.

10 (4) Land and improvements may not be sold under this section for less than 80 percent
11 of the lowest sum described by subsection (1) of this section.

12 (5) If there is more than one bid that equals or exceeds the minimum sum for which land
13 and improvements may be sold at a sale under this section, the land and improvements must
14 be sold to the highest bidder.

15 (6) If the sum received for the sale of land and improvements under this section exceeds
16 the amount of the unpaid assessment, including penalties, interest and the costs of con-
17 ducting the sale, the remainder of the sum

18 ~~shall be paid to the holder of the lien~~ *Substitute L17 Below and subsection (7)*

19 ~~(8)~~ A levy is not required upon lawfully established units of land on the list described in
20 ORS 223.515, but a notice of sale must be posted four consecutive weeks before the sale of
21 each lawfully established unit of land or tract.

22 **SECTION 4.** The amendments to ORS 223.505, 223.520 and 223.525 by sections 1 to 3 of this
23 2011 Act apply to the sale of real property to enforce liens and collect unpaid assessments
24 that are levied on or after the effective date of this 2011 Act.

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(L17) shall be paid to all persons having recorded liens in the property as their interests may appear in the order of their priority. Any amount remaining shall be returned to the debtor, his heirs or assigns.

(7) if no bid for the property equals or exceeds 80% of the least value described in subsection (1) then the lien shall be paid with all interest, penalties, and costs whenever the property shall be sold or the title is transferred, notwithstanding that the property may be sold at any time prior to the title being transferred for 80% of the least value described in subsection (1)