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**AGENDA COVER MEMORANDUM**

**Memorandum Date: October 10, 2007**

**Agenda Date: October 24, 2007**

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**TO:** Board of County Commissioners

**DEPARTMENT:** Management Services

**PRESENTED BY:** Jeff Turk, Property Management Officer 2

**SUBJECT:** ORDER/IN THE MATTER OF AUTHORIZING THE SALE OF SURPLUS COUNTY OWNED REAL PROPERTY FOR \$4,200 TO BRUCE AND SUSAN HARRIS, FORMER OWNERS OF RECORD, (MAP NO. 17-04-22-32-11502, 1220 JAY STREET, EUGENE)

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1. **PROPOSED MOTION:** THE BOARD MOVES TO AUTHORIZE THE SALE OF SURPLUS COUNTY OWNED REAL PROPERTY FOR \$4,200 TO BRUCE AND SUSAN HARRIS, FORMER OWNERS OF RECORD, (MAP NO. 17-04-22-32-11502, 1220 JAY STREET, EUGENE)

2. **AGENDA ITEM SUMMARY:**

Bruce and Susan Harris are the former owners of record of the subject property at the time it was acquired by the County due to tax foreclosure. The Harris' wish to purchase the property back from the County. The sale price represents all taxes, interest and penalties that were owing, taxes that would be due this year plus an additional 10% added to the total amount owing.

3. **BACKGROUND/IMPLICATIONS OF ACTION:**

A. **Board Action and Other History**

The property was just foreclosed upon in October, 2007. The property consists of a 75' x 104' lot with an assessed value of \$21,590 and a market value per the Assessor of \$82,227.

The Harris' reside in a manufactured dwelling situated on the subject property. They own the manufactured dwelling, however it is assessed under a separate tax account than the real property and was not subject to foreclosure (although there are delinquent taxes owing).

Apparently, the Harris' were in the process of closing a transaction on the sale of the real property and manufactured dwelling when the redemption period expired. I have talked

with the title company that was closing the transaction (Western Title) and they informed me that they (the title company) were remiss in remitting the funds to the Assessor before expiration of the redemption period.

**B. Policy Issues**

ORS 275.180 provides for selling foreclosed property back to the owner of record at any time but for not less than the amount of taxes, interest and penalties owing on the property at the time the County acquired title plus 6% interest thereon until the time the property is sold.

Lane Manual 21.425(4) qualifies ORS 275.180 by requiring one of three conditions to exist for a sale to the former owner of record. Those conditions are that: (a) the property was the residence of the former owner at the time of the foreclosure; (b) an error was made by the Assessor in placing the property on the foreclosure list; (c) the former owner was physically or mentally incapacitated during the foreclosure period.

**C. Board Goals**

The sale of the property would be consistent with the Board's goals to return tax foreclosed property to the tax roll.

**Financial and/or Resource Considerations**

The \$4,200 purchase price includes taxes that would have been paid this year (the foreclosure removed the property from this year's tax roll) and an additional 10% above the statutorily required minimum to cover the county's cost for processing the sale.

Revenue from the sale of foreclosed property is disbursed to all the taxing districts in a manner similar to the disbursement of property taxes.

**E. Analysis**

In this instance, the circumstances concerning a sale back to the former owner of record is unique in that the real property on which the physical residence resides (the manufactured dwelling) was taxed separately from the physical residence creating the situation where one could be foreclosed upon and not the other. This occurs due to statutes governing assessment of manufactured dwellings where a separate tax account is set up for them that does not include the real property. Generally, with site built dwellings, the physical residence and the real property are included on one tax account.

The intent of the provisions in LM 21.425 is to allow a sale to the former owner of record. While the provisions of LM may not have provided for this quirk in assessment procedures it is my opinion that a sale of the subject property to the Harris' complies with LM.

The Board is not obligated to sell a foreclosed property back to the former owner. Additionally, the Board is not obligated to sell the property for the minimum required by statute but can sell for any amount above the required minimum. In the past, the Board has sold property back to the former owner when the requirements of Lane Manual have been met and has done so for the minimum required by statute, plus an additional 10%, plus taxes which should have been paid for the current tax year.

**F. Alternatives/Options**

1. Sell the property for the minimum amount pursuant to ORS. 275.180 plus taxes which would have been owed for the current year plus 10% thereon. A total of \$4,200.
2. Sell the property for an amount greater than #1 above.
3. Reject selling the property back to the former owner and offer the property at a Sheriff's sale which would yield greater consideration (\$80,000 +). Pursuing this option would require having the Harris' remove their manufactured dwelling from the property.

**V. TIMING/IMPLEMENTATION**

The matter should be resolved as soon as possible so Property Management staff can proceed accordingly (close a sale with the Harris' or proceed with selling the property at auction).

**VI. RECOMMENDATION**

It is recommended that option 1 be pursued.

**VII. FOLLOW-UP**

Upon the Board's approval, the Property Management Officer will proceed with closing the sale.

**VII. ATTACHMENTS**

Board Order  
Quitclaim Deed  
Plat Map

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.

IN THE MATTER OF AUTHORIZING THE SALE OF SURPLUS COUNTY OWNED REAL PROPERTY FOR \$4,200 TO BRUCE AND SUSAN HARRIS, FORMER OWNERS OF RECORD, (MAP NO. 17-04-22-32-11502, 1220 JAY STREET, EUGENE)

WHEREAS this matter now coming before the Lane County Board of Commissioners and said Board deeming it in the best interest of Lane County to sell the following real property which was acquired through tax foreclosure, to wit:

Parcel 1 of Partition Plat No. 95-P0744 as recorded in the Partition Plat Records of Lane County, Lane County, Oregon

WHEREAS said real property is owned by Lane County and not in use for County purposes, and sale of said property would benefit Lane County by its return to the tax roll, and

WHEREAS Bruce and Susan Harris are the former owners of record of said property at the time it was foreclosed upon and

WHEREAS said real property was the residence of Bruce and Susan Harris at the time it was foreclosed upon

IT IS HEREBY ORDERED that pursuant to Lane Manual 21.425(4), ORS 275.180, and ORS 275.275 the above described real property be sold to Bruce Harris and Susan Harris for \$4,200, that the Quitclaim Deed be executed by the Board, and that the proceeds be disbursed as follows:

Foreclosure Fund	(268-5570270-446120)	\$3,908
General Fund	(124-5570260-436521)	292

IT IS FURTHER ORDERED, that this Order shall be entered into the records of the Board of Commissioners of the County.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

APPROVED AS TO FORM

Date 10-12-07 lane county

  
OFFICE OF LEGAL COUNSEL

\_\_\_\_\_  
Faye Stewart, Chair, Board of County Commissioners

IN THE MATTER OF AUTHORIZING THE SALE OF SURPLUS COUNTY OWNED REAL PROPERTY FOR \$4,200 TO BRUCE AND SUSAN HARRIS, FORMER OWNERS OF RECORD, (MAP NO. 17-04-22-32-11502, 1220 JAY STREET, EUGENE)

**QUITCLAIM DEED**

LANE COUNTY, a political subdivision of the State of Oregon, pursuant to Order No. \_\_\_\_\_ of the Board of County Commissioners of Lane County, releases and quitclaims to:

**BRUCE HARRIS AND SUSAN HARRIS**

all its right, title and interest in that real property situated in Lane County, State of Oregon, described as:

Parcel 1 of Partition Plat No. 95-P0744 as recorded in the Partition Plat Records of Lane County, Lane County, Oregon (map No. 17-04-22-32-11502)

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 197.352. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352.

The true and actual consideration for this transfer is \$4,200.00

**LANE COUNTY BOARD OF COMMISSIONERS**

*This space reserved for recording sticker*

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STATE OF OREGON    )  
                                  ) ss  
COUNTY OF LANE    )

On \_\_\_\_\_, 2007 personally appeared \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,

\_\_\_\_\_, County Commissioners for Lane County, and acknowledged the foregoing instrument to be their voluntary act. Before me:

After recording, return to/taxes to:  
Bruce and Susan Harris  
1220 Jay St.  
Eugene, OR 97402

\_\_\_\_\_  
Notary Public for Oregon  
My Commission Expires \_\_\_\_\_

