

# ORDINANCE No. 187833

\*Update Collection and Foreclosure code to align to changes in ORS 205 and 223 (Ordinance; amend Code Chapter 5.30)

The City of Portland Ordains:

## Section 1. Council Finds:

1. On January 23, 2003, the Council adopted Ordinance No. 177246, amending Chapter 5.30 to improve delinquent lien collection and foreclosure procedures.
2. In March of 2012, House Bill 4111 amended Oregon Revised Statutes 205 and 223. Housekeeping changes to Chapter 5.30 of City Code are necessary to align with revised ORS.

NOW, THEREFORE, the Council directs:

- a. PCC 5.30.020 Definitions Subsections G. and N. are amended to read as follows:

**G. "Foreclosure Sale"** means the legal process of selling real property, which allows the City to foreclose and to ~~sell~~ dispose of a delinquent lien through notice and sale.

**N. "Sales price"** means ~~the sum of the lien principal, interest and penalties, together with all collection costs and sales costs associated with the foreclosure sale, a sum equal to or exceeding the greater of:~~

1. The amount of the lien principal plus, interest and penalties, together with all collection costs and sales costs associated with the foreclosure sale; or

2. Seventy-five percent of the total assessed value of the real property, as determined by the assessor of the county in which the land and improvements are located.

- b. Subsection 5.30.040 C. of the City Code is hereby amended as follows:

**C.** Unless otherwise specifically directed by Council, the ~~OMF Business Operations Division~~ Bureau of Internal Business Services shall manage, maintain, rent or market for sale properties purchased by the City under this Chapter.

- c. Section 5.30.120 of the City Code is hereby amended as follows:

### **5.30.120 Purchase of Property by the City.**

Upon Council approval, the City may purchase any property on the foreclosure list for the amount of the lien principal plus interest and penalties, and may do so before, during, or after the sale subject to the following conditions:

**A.** Money for purchase has been transferred to the proper City fund for payment of the delinquent lien amount;

B. In the case of property purchased before the sale, any person having an interest in the property is given an opportunity to pay the lien in full including collection and sales costs, and thereby remove the property from the foreclosure list as provided by Section 5.30.150; and

C. Any person having an interest in the property may redeem the property as provided by Section 5.30.210.

d. Section 5.30.170 of City Code is hereby amended as follows:

**5.30.170 Conduct of Foreclosure Sale.**

A. The Treasurer shall prepare rules governing the conduct of the foreclosure sale. The rules shall be available at least 60 days prior to the foreclosure sale.

B. Each property shall be sold separately for its respective sales price.

C. Only bids in the amount of the sales price for a property are acceptable. ~~In situations where there are two or more acceptable bids, the successful bidder shall be determined by lot. In the event there is more than one acceptable bid and the successful bidder fails to pay, sale of the property shall again be determined by lot. However, if there is only one remaining acceptable bid, the property will be sold to that bidder. If more than one bid equals or exceeds the sales price, the real property must be sold to the highest bidder.~~

D. If the sum received for the sale of the property under this section exceeds the lien principal amount, plus interest, penalties and the cost of conducting the sale, the Treasurer shall apply the proceeds of the sale as follows:

1. To the costs of conducting the sale.

2. To the unpaid lien principal plus interest and penalties.

3. To any persons with recorded interest in the property, in order of their priority.

4. To the debtor or the debtor's heirs or assigns.

~~D.E.~~ Property which is not sold may again be offered for sale. The steps in Sections 5.30.130 through 5.30.240 shall be followed.

e. Subsection 5.30.190 C. of City Code is hereby amended as follows:

C. The Treasurer shall send to the property owner and all persons known to have a recorded interest in the property a notice of the sale by registered or certified mail, within 10 ~~working days~~ business days after the sale. The notice shall contain the following information: the name of the purchaser; the right of redemption; the date the redemption period expires; the redemption price; and, the basis for calculating interest and penalties during the redemption period.

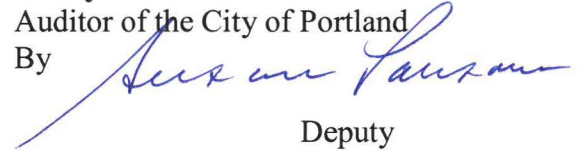
Section 2. The Council declares that an emergency exists because a later implementation date for Code changes would delay the City's efforts to foreclose on properties that are causing health, safety and livability concerns in Portland neighborhoods; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: JUN 15 2016

Auditor Mary Hull Caballero  
Prepared by: Sarah Landis  
Date Prepared: June 6, 2016

**Mary Hull Caballero**  
Auditor of the City of Portland

By

A handwritten signature in blue ink, appearing to read "Susan Laursen", is written over the word "By" and extends to the right.

Deputy

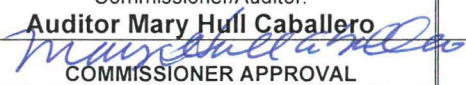



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Agenda No.  
**ORDINANCE NO.**

187833

Title

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INTRODUCED BY Commissioner/Auditor: <b>Auditor Mary Hull Caballero</b>  <b>COMMISSIONER APPROVAL</b>	CLERK USE: DATE FILED <u>JUN 07 2016</u>
Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick	Mary Hull Caballero Auditor of the City of Portland  By:  Deputy
<b>BUREAU APPROVAL</b> Bureau: Auditor's Office Bureau Head: Mary Hull Caballero	ACTION TAKEN:
Prepared by: Sarah Landis Date Prepared: 06/06/2016	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/> <b>City Auditor Office Approval:</b>  required for Code Ordinances	
<input checked="" type="checkbox"/> <b>City Attorney Approval:</b>  required for contract, code, easement, franchise, comp plan, charter	
Council Meeting Date <b>06/15/2016</b>	

<b>AGENDA</b> <b>TIME CERTAIN</b> <input checked="" type="checkbox"/> <b>Start time: 3:00</b> <b>Total amount of time needed: 1.5 hours</b> (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input type="checkbox"/> <b>Total amount of time needed: _____</b> (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz <input checked="" type="checkbox"/>	
2. Fish	2. Fish <input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman <input checked="" type="checkbox"/>	
4. Novick	4. Novick <input checked="" type="checkbox"/>	
Hales	Hales <input checked="" type="checkbox"/>	