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Clackamas County
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DAN JOHNSON
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

October 29, 2026

BCC Agenda Item: _____

Board of County Commissioners
Clackamas County

Approval of a Board Order adopting the Property Disposition Amended Policies and Procedures, Clackamas County Policy PD-2026, for the Sale, Transfer and Administration of Tax Foreclosed and Surplus County Property. No County General Funds are involved.

Previous Board Action/Review: Policy Session March 31, 2026.

Performance Clackamas: Build public trust through good government by conducting property transactions in a transparent manner.

Counsel Review: Yes

Procurement Review: N/A

Contact Person: D'Anne Rome

Contact Phone: 503-742-4384

EXECUTIVE SUMMARY: Clackamas County's Department of Assessment & Taxation annually forecloses on real property in accordance with ORS 312, for nonpayment of real property taxes after approximately 6 years. After the sixth year, the properties are then deeded to the County and transferred to the Property Disposition program in the Department of Transportation and Development (DTD). The Property Disposition program then manages, prepares, and sells the tax-foreclosed properties. The objective is to transition these parcels back into private ownership and onto the tax rolls or to repurpose properties for public benefit, ensuring they once again serve as productive assets for the community.

The Property Disposition Policy and Procedures were last updated in 2018. During a Policy Session on April 7, 2026, DTD brought to the Board proposed changes to the Property Disposition and Policy and Procedures. At the conclusion of that Policy Session the Board approved the recommended changes. The accompanying Board Order memorializes those changes. This policy now reflects several significant changes that have impacted the program, most notably the shift to distributing surplus funds from the sale of foreclosed properties to the former owner after the property is sold by the County. This change started with the 2023 Tyler v Hennepin Supreme Court case and was further defined this past year with Oregon House Bill 2089 (2025).

The following are the four major changes to the Property Disposition Policies and Procedures:

1. Update outdated language for the program
2. Confirm the policy of the Property Disposition program

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3. Accurately reflect programmatic changes made after Tyler v Hennepin County, Oregon House Bill 2089 and Lynch v Multnomah County et al class action lawsuit settlements.
4. Change the Property Disposition management fee structure from a percentage-based fee to a cost recovery structure as permitted by Oregon Revised Statutes and House Bill 2089 (2025).

The Property Disposition program within DTD follows legal requirements to dispose of tax-foreclosed properties in an efficient and expeditious manner. All sale authorizations are made only with the approval of the Board of County Commissioners.

RECOMMENDATION: Staff respectfully recommend approval of a Board Order Adopting the Property Disposition Amended Policies and Procedures, Clackamas County Policy PD-2026, for the Sale, Transfer, and Administration of Tax Foreclosed and Surplus County Property.

Respectfully submitted,

Dan Johnson

Dan Johnson, Director
Department of Transportation & Development

Attachment:
Board Order with Exhibit

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Adopting Revised
Property Disposition Policy and
Procedures



Board Order No. _____

Whereas, the Property Disposition Program of the Department of Transportation and Development has policies and procedures related to the sale, transfer and administration of certain property; and

Whereas, on April 7, 2026 the Board of County Commissioners met to discuss proposed changes to the Policies and Procedures for the Sale, Transfer and Administration of Tax Foreclosed and Surplus County Property; and

NOW, THEREFORE, IT IS HEREBY ORDERED that Clackamas County Board of County Commissioners hereby adopts the Policies and Procedures for the Sale, Transfer and Administration of Tax Foreclosed and Surplus County Property as shown on Exhibit A to this board order.

DATED this _____ day of October , 2026.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary



☒ Administrative Policy ☒ Operational Policy

Clackamas County Policy

Name of Policy	Property Disposition Policy & Procedures	Policy #	PD-2026
Policy Owner Name	Sarah Eckman, D'Anne Rome	Effective Date	X/XX/2026
Policy Owner Position	DTD Assistant Director, Property Agent	Approved Date	
Approved By	Board of County Commissioners	Next Review Date	

I. PURPOSE:

Establish procedures for the Sale, Transfer and Administration of Tax Foreclosed and other property declared as Surplus County Property consistent with adopted Policy.

Surplus County Property is defined as real estate that is no longer needed for public use because it is no longer being utilized for its original intended purpose, lacks any identified long-range plans for the parcel, or incurs maintenance costs that outweigh the county's potential benefit of retaining it.

This policy applies to the Clackamas County Department of Transportation & Development (DTD)/Property Disposition.

II. AUTHORITY

Oregon Revised Statutes Chapters 271, 275 and 312, Oregon House Bill 2089 (2025) and *Lynch v Multnomah County* et al. (3:23:cv-01502-IM) class action lawsuit settlement.

III. GENERAL POLICY

Properties become the responsibility of Clackamas County DTD/Property Disposition when they come into County ownership after a property has been foreclosed upon by the County Assessor after six years of non-payment of property taxes.

The DTD/Property Disposition Program manages, prepares, and sells tax-foreclosed properties. The mission is to transition these parcels back into private ownership and onto the tax rolls, or repurpose properties for public benefit, ensuring they once again serve as productive assets for the community. Properties are sold as-is to minimize management costs and expedite disposition. Properties requiring management services before sale are handled on a case-by-case basis. Disposition efforts occur continually throughout the year, with the goal of returning all properties to the tax rolls.

IV. PROCEDURES

A. General

1. Property Disposition Division shall at least annually:
 - a. Review its real property inventory of assets and identify tax foreclosed properties to consider for sale or transfer.
 - b. Request the Board of County Commissioners approve the properties transferred to County ownership on the most recent foreclosure deed recording as surplus. Properties from older foreclosures may also be declared surplus in preparation for disposition.
2. The sale or transfer of tax foreclosed properties declared as surplus shall be made by the Property Disposition program in accordance with Section II.
 - a. 2016 or prior date of foreclosure deed recording will be processed in accordance with Section II.

Properties in excess of \$15,000 (Assessor's Estimate of Real Market Value – ARMV) are assigned to public auction; properties with an ARMV of less than \$15,000 and unsuited for construction can also be sold pursuant to ORS 275.225.

- b. 2017 – 2024 date of foreclosure deed recording will be handled in accordance with the *Lynch v Multnomah County* 3:23-cv-01502-IM et al Class Action Settlement Agreement.
- c. 2026 or later foreclosure deed recording dates will be handled in accordance with Oregon House Bill 2089 (2025).
 - i. The county shall procure an appraisal from a licensed appraiser that is unaffiliated with the county for property described in this subsection if the real market value of the property as shown on the most recent tax statement exceeds \$250,000 and that is located in a residential zone and that was the former owner's primary residence as of the date on which the taxes for which the property was foreclosed were assessed. The county shall list such property for sale with a real estate broker or agent who does not hold an elected or appointed office and is not employed by any government entity. The list price shall be the highest price at which the property is reasonably expected to sell.
 - ii. All properties with an ARMV of less than \$250,000 as shown on tax statement as of the date the property was deeded to the county under ORS 312.200, will be auctioned a minimum of two times, first for two-thirds the property's fair market value, second for outstanding taxes and other allowable costs chargeable against the property as determined under section 8 (4) of HB 2089 (2025).

- iii. After two auctions, the properties will be listed for costs via private sale online or via other methods allowed by State law.
 - iv. If property remains unsold after 90 days of an online or other private listing, it may then be listed for public agency transfer.
 - d. In accordance with ORS 275.180, a former record owner may apply to repurchase tax-foreclosed property. The repurchase price shall include all taxes and interest accrued at the time of foreclosure, plus direct costs and a Property Disposition administrative fee. Such requests may be submitted for consideration at any time, provided the County retains title and the property is not subject to a pending sale with another buyer.
 - e. Board of County Commissioners, or those with delegated authority, shall have final approval of those properties considered for transfer or sale.
3. Purchase offers for parcels managed by Property Disposition parcels and outside the existing pre-approved property surplus list for disposition, will be brought before the Board of County Commissioners in executive session for consideration.

B. Transfer Requests

Per ORS 271.330, County Departments, local Municipalities, County agencies, Special Districts and certain non-profit partners may request the transfer of a property to be used for a perpetual public use benefit (i.e. park, open space, greenway, trail, easement, Brownfield sites, etc.) consistent with an adopted strategic plan, master plan or other long term management plan of the requesting entity.

- 1. Should any of the eligible entities above request a transfer of a property, transfers will be processed based on the year the foreclosure deed was recorded for the specific property. Additional, transfer requests are:
 - a. Subject to final approval of the Board of County Commissioners.
 - b. Only considered after the County has exhausted the sale process under HB 2089 (2025); a transfer will be subject to the same sale process referenced in Section A(2)(c)(ii) of this policy.

C. Properties not selling at the Sheriff's Public Oral Auction

The Property Disposition program will review and consider the tax foreclosed property assets not sold at Sheriff's public oral auction and consider the following options:

- 1. Property may be listed for private sale based on the requirements stipulated by Oregon law.
 - i. May be placed with a private real estate broker (market value)
 - ii. May be listed for online public auction

- iii. May be offered for private sale via direct mail strategies, such as to adjacent owners etc.
 - iv. May be offered via other methods allowed by Oregon law.
2. Property may be removed from the current surplus inventory list at any time by the Property Disposition program and/or Board of County Commissioners.

D. Property Disposition Cost Recovery and Administrative Fee Schedule

ORS 275.275 provides for the Property Disposition program to recover annual operational expenses. With consideration that the Property Disposition program is not general fund supported, the Property Disposition program shall be entitled to recover the direct and indirect costs associated with managing, selling, and transferring tax foreclosed and surplus real properties.

The complete **Property Disposition Cost Recovery and Administrative Fee Schedule** is attached as **Appendix A**.

Actions on this Policy:

Original Policy effective date: March 11, 2014

Amended Policy effective dates: September 12, 2018

APPENDIX A

CLACKAMAS COUNTY PROPERTY DISPOSITION

Cost Recovery & Administrative Fee Schedule

COST RECOVERY & ADMINISTRATIVE FEE SCHEDULE

Property Disposition cost recovery will be achieved through a combination of an **Annual Management Cost** allocation, **direct cost reimbursements**, and **flat fees** charged by the program.

DEFINITIONS:

- **Active Property** is defined as pre-auction or first auction property.
- **Annual Management Cost** is the CURRENT OPERATING REVENUES minus the CURRENT OPERATING EXPENSES at the end of the prior fiscal year, after subtracting all program expenses from the received revenues.
- **Managed Property** is inclusive of all properties under the Property Disposition portfolio.
- **Non-Active Property** is any property that is not subject to the Annual Management Cost.
- **Property Agent** is the Property Disposition program staff person responsible for managing the disposition of tax foreclosed properties.

ANNUAL MANAGEMENT COST ALLOCATION:

Prior year **Annual Management Cost** will be divided by the number of **active properties** in the Property Disposition portfolio, resulting in the Annual Management Cost per property. The cost is charged to each **active property** in the inventory for that fiscal year. This is in addition to direct costs, and flat fees, which are charged to the individual property they apply to.

Formula:

(\$) Prior year **Annual Management Cost** / **(#)** **Active Properties** = **(\$)** **Annual Management Cost Allocation**

DIRECT COST REIMBURSEMENT

Direct Cost Reimbursement costs are those charged to Property Disposition from internal or external service providers. All have an invoice tied to them; and the cost of the service will be withheld from the auction proceeds of the **managed property** that received the service(s).

Possible services may include, but are not limited to:

- | | |
|----------------------|-------------------------------|
| • Property cleanup | • Appraisals |
| • Board up | • Surveyor |
| • Landscaping work | • Legal descriptions |
| • Environmental work | • Other direct property costs |
| • Utilities | |

FLAT FEES

Flat Fees are fees charged to specific properties for services that are outside of the typical property administration/management tasks.

A flat fee will be charged to each property in the inventory, as work is performed.

- **AUCTION FEE**

\$2,000 per property, per auction (Non-Active Properties only.)

Fee *per property, per auction* for **non-active properties**. Auction tasks include data collection, file creation and maintenance, mailings, and other auction preparation*.

**Please note: Invoices for legal descriptions, appraisals, and any other required service(s) will be reimbursed through Direct Cost Reimbursement.*

- **OUTSIDE BROKER LISTING FEE**

\$5,000 per property, per listing

Fee *per property, per listing* with an outside broker. Includes all Property Agent work* required to prep file and facilitate entire process.

**Please note: Invoices for broker services, title companies, appraisals, and any other required service(s) will be reimbursed through Direct Cost Reimbursement.*

- **URGENT/HAZARDOUS CONDITION RESPONSE FEE**

\$1,500 per property, per response

Fee *per property, per instance* when an urgent, unanticipated need arises that requires priority action and near term follow-up by the Property Agent. Includes all research and coordination to bring specific issue to resolution*.

**Please note: Invoices for cleanup, or any other required service(s) will be reimbursed through Direct Cost Reimbursement.*

- **SITE VISIT/INSPECTION FEE**

\$550 per property, per site visit/inspection (Non-Active Properties only.)

Fee *per property, per site visit/inspection* for **non-active properties**. To/from travel to a property, site evaluation/inspection to include photographs and data collection.