



BOARD OF COMMISSIONERS  
Agenda Item Summary

Agenda Category:	Order	Item No:
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**Meeting Date: Aug 20, 2019**

**Originating Department:** Tax/ Property Management

**Issue:** In the matter of the Klamath County Treasurer to distribute proceeds from the sale of tax foreclosed properties.

**Background:** When property has been subjected to tax foreclosure for nonpayment of taxes and interest and not redeemed within the two year redemption period, the property is deeded to the County by the Tax Collector; and any property owned by the County and not in use for County purposes is offered for sale to the public. On Aug 9-10, 2018 and Mar 15, 2019, the County held public sales and after the County Treasurer deducted the County's expenses and cost from the sale, there remains a sum of \$634,998.05 to be distributed as required by ORS 311.390 and in accordance with ORS 275.275.

**Fiscal Impact:** \$634,998.05 Expenditure from the County Properties Trust-Agency Fund

**Recommended Motion:** Approve and execute the attached Order. Fiscal Impact \$634,998.05 Expenditure from the County Properties Trust-Agency Fund.

DONE AND DATED this 20th Day of Aug 2019 .

\_\_\_\_\_  
Chair

Approved   
Denied

\_\_\_\_\_  
Vice-Chair

Approved   
Denied

\_\_\_\_\_  
Commissioner

Approved   
Denied

**OF COUNTY COMMISSIONERS  
KLAMATH COUNTY, OREGON**

**In the Matter of the Klamath County Treasurer        )  
to distribute proceeds from the sale of tax            )  
foreclosed properties                                        )**

Order No. 2019 - \_\_\_\_\_

WHEREAS, the Klamath County Tax Office/Property has sold tax foreclosed properties on August 9<sup>th</sup> and 10<sup>th</sup>, 2018, and March 15<sup>th</sup>, 2019 in fiscal year 2018-2019; and

WHEREAS, in accordance with 275.275 Distribution of proceeds:

(1) (a) The proceeds arising under ORS 275.090 to 275.290 and 275.296 to 275.310 must be applied:

(A) First, to refund the county general fund for the full amount advanced by the county to pay the state tax upon all properties upon which the county has foreclosed liens for delinquent taxes;

(B) Second, to the county general fund in an amount equal to the penalty and fee described in ORS 312.120 for each property upon which the county has foreclosed a lien for delinquent taxes; and

(C) Third, to refund the county general fund for all the costs and expenses incurred by the county in the maintenance and supervision of such properties and in any lawsuits by it to quiet its title to property sold; or to defend the county's title to property sold, including suits or land use proceedings to ascertain and determine the actual boundaries of the properties. The proceeds applied as refunds under this subparagraph and subparagraph (A) of this paragraph shall not amount to more than the tax actually paid and the costs and expenses actually incurred by the county.

(b) After the refunds authorized under paragraph (a) of this subsection are made, the county treasurer shall credit to the county general fund proceeds arising under ORS 275.090 to 275.290 and 275.296 to 275.310 from the sale of real property acquired by the county in a manner other than by foreclosure of delinquent tax liens or by exchange for land originally acquired by foreclosure of delinquent tax liens. The proceeds described in this paragraph include payments for the real property sold under a purchase agreement pursuant to ORS 275.190 or 275.

WHEREAS, the proceeds arising under ORS 275.294:

(a) Must be credited to the county general fund by the county treasurer, if received from a lease or conveyance granting rights to explore, prospect for or remove biogas that is produced by decomposition of solid waste at any land disposal site or former land disposal site owned by the county. As used in this paragraph, "land disposal site" has the meaning given that term in ORS 459.005.

(b) Must be segregated from the portion of the proceeds described in paragraph (a) of this subsection and deposited in a separate account maintained by the county. Interest earned on the segregated portion of the proceeds must be credited to the account established under this paragraph.

(c) May be used, in an amount that does not exceed 10 percent of the proceeds, to reimburse a taxing district within the county for costs and expenses necessarily incurred by the district in providing improved, additional or extraordinary services required on lands in the county as a result of exploration, drilling, mining, logging or other activities authorized under a lease or conveyance under ORS 275.294. As used in this paragraph, "improved, additional or extraordinary services" includes, but is not limited to, fire protection and road construction and maintenance.

(d) May be used to reimburse the county for its actual costs and expenses incurred under this subsection and under ORS 275.294 for:

(A) The maintenance and supervision of a lease or conveyance granting rights to explore, prospect for, mine or remove valuable minerals, oil or gas from the lands;

(B) The maintenance and supervision of a lease or conveyance granting rights to conduct underground storage, as defined in ORS 520.005; and

(C) Litigation resulting from a lease or conveyance described in subparagraph (A) or (B) of this paragraph.

**WHEREAS,** After a portion of the proceeds arising under ORS 275.090 to 275.290 and 275.296 to 275.310 and a portion of the proceeds arising under ORS 275.294 are applied as provided in subsections (1) and (2) of this section, the balance of the proceeds arising under ORS 275.090 to 275.290 and 275.296 to 275.310 and the balance of the proceeds arising under ORS 275.294, including the payments for land sold under contract pursuant to ORS 275.190 or 275.200, must be distributed by the county treasurer as follows:

(A) First, to a municipal corporation that has filed a notice, in accordance with ORS 275.130, relating to a local improvement lien against the property from which the sale proceeds are derived. The amount of the distribution to each municipal corporation must be in the principal amount of the lien, plus the interest and any penalties that accrued to the date of sale of the property.

(B) Second, to governmental units in accordance with the formula provided in ORS 311.390 for the distribution of tax collections. The amount distributed to governmental units must be the amount remaining after the distribution, if any, under subparagraph (A) of this paragraph.

**WHEREAS,** after those deductions stated above there remains a sum of Six Hundred Thirty Four Thousand, Nine Hundred Ninety Eight Dollars and 05/100 (\$634,998.05) for distribution.

**NOW, THEREFORE, IT IS HEREBY ORDERED,** that the Klamath County Treasurer shall distribute in accordance with ORS 275.275 and the distribution formula provided in ORS 311.390 the sum of \$634,998.05

**DONE and DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2019

**BOARD OF COUNTY COMMISSIONERS**

\_\_\_\_\_  
Donnie Boyd, Chairman of the Board

\_\_\_\_\_  
Kelly Minty-Morris, County Commissioner

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Derrick DeGroot, County Commissioner