

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 380

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Prohibits county from bringing claim or action against person if claim or action is based on statement in trust deed that nominee or agent of lender is grantee or beneficiary, based on county's recording or indexing instrument that states that nominee or agent of lender is grantee or beneficiary or based on person's having obtained or transferred interest in trust deed by means of instrument that was executed or delivered to person but was not recorded in county's deeds and mortgages records...

Government Unit(s) Affected:

Counties

Summary of Fiscal Impact:

Costs related to this measure are indeterminate but do not require budgetary action.

Analysis:

This bill prevents future lawsuits by counties against the Mortgage Electronic Registration System (MERS) and the financial institutions that recorded trust deeds with the county representing that MERS is a beneficiary or other party to the trust deed. The Association of Oregon Counties (AOC) asserts that the Oregon Supreme Court has ruled that MERS is not a beneficiary on the trust deeds and that indexing as such is fraudulent and damages the public record.

According to Association of Oregon Counties, Multnomah County previously filed such a suit, which eventually settled. The settlement required MERS to pay the county \$9,000,000. Twelve other counties are participants in pending litigation on this issue.

Passage of this bill would negate the ability of the remaining 23 counties to pursue legal action in this matter. The fiscal impact to the counties who will lose this option is indeterminate.