

October 27, 2023

Word Count: 210

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QuickPoint! - It's Time to End Home Equity Theft in Oregon

By Mia Tiwana

It's time to end home equity theft in Oregon.

In Oregon, if a property has unpaid taxes, the county can legally seize and sell the property, and keep the proceeds.

[Pacific Legal Foundation found](#) that, most of the time, property owners' tax liabilities are minuscule compared to the value of their homes: 75% of homes seized by Oregon counties had tax debts less than the price of a 10-year-old Ford F-150. Yet, the average homeowner lost \$237,000 in equity beyond the debt owed.

Oregon counties have pocketed an [excess of \\$11 million](#) in home equity that was not owed to them. This behavior was both unethical and unconstitutional. The Fifth Amendment states, "Nor shall private property be taken for public use, without just compensation." When homeowners fall on hard times and don't pay their property taxes, the government has the right to collect what it's owed. But the Fifth Amendment should stop governments from keeping more than what is due.

The solution is simple and uncostly. In a 9-0 decision in May, [the U.S. Supreme Court ruled](#) that this government behavior is unconstitutional. The Oregon legislature should amend state law during the 2024 legislative session to comply with *Tyler v. Hennepin County*, the Supreme Court's decision on home equity theft.

Mia Tiwana is a Policy Analyst at Cascade Policy Institute, Oregon's free market public policy research organization.