

# House Bill 2969

Sponsored by COMMITTEE ON REVENUE

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Extends sunset date for rehabilitated residential housing property tax limited assessment program.

## A BILL FOR AN ACT

Relating to rehabilitated residential property; amending ORS 308.450, 308.477 and 308.481.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 308.450 is amended to read:

308.450. As used in ORS 308.450 to 308.481:

(1) "Distressed area" means a primarily residential area of a county or city that is designated as a distressed area by the county or city because the area is detrimental to the safety, health and welfare of the community due to the following factors:

(a) Deterioration;

(b) Inadequate or improper facilities;

(c) The existence of unsafe or abandoned structures, including but not limited to a significant number of vacant or abandoned single or multifamily residential units; or

(d) Any combination of these or similar factors.

(2) "Governing body" means the city or county legislative body having jurisdiction over the property for which a limited assessment may be applied for under ORS 308.450 to 308.481.

(3) "Rehabilitated residential property" means land and the improvements thereon:

(a) That are either single or multifamily residential units or are not residential units but that will become residential units through rehabilitation improvements;

(b) That fail to comply with one or more standards of the state or local building or housing codes applicable at the time the application is filed;

(c)(A) That are not less than 25 years of age on January 1, 1986, and on which sums have been expended after September 13, 1975, and prior to January 1, [2008] **2021**, for the purpose of making rehabilitation improvements, and which sums in the aggregate equal or exceed five percent of the assessed value of the land and improvements thereon as reflected in the last certified assessment roll next preceding the date on which the application for limited assessment is filed with the governing body pursuant to ORS 308.462; or

(B) On which, regardless of the age of the residential property, sums have been expended or the renovation completed after October 3, 1989, and prior to January 1, [2008] **2021**, for the purpose of making rehabilitation improvements, and which sums in the aggregate equal or exceed 50 percent of the assessed value of the land and improvements thereon as reflected in the last certified assessment roll next preceding the date on which the applications for limited assessment is filed with

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 the governing body pursuant to ORS 308.462;

2 (d) In which at least 50 percent of accommodations are for residential use and not for transient  
3 occupancy; and

4 (e) If owner-occupied, that are located within a distressed area.

5 (4) "Rehabilitation improvements" means modifications to existing structures that are made to  
6 achieve a condition of substantial compliance.

7 (5) "Substantial compliance" means compliance with local building or housing code require-  
8 ments. It does not mean that all heating, plumbing and electrical systems must be replaced with  
9 systems meeting current standards for new construction, notwithstanding that the cost of rehabili-  
10 tation may exceed 50 percent of the value of the structure before rehabilitation.

11 **SECTION 2.** ORS 308.477 is amended to read:

12 308.477. (1) Except as provided in ORS 308.479, if, after a certificate of qualification has been  
13 filed with the county assessor under ORS 308.466, the governing body finds that the rehabilitation  
14 improvements were not completed on or before January 1, [2008] **2021**, or that any provision of ORS  
15 308.450 to 308.481 is not being complied with, or any provision required by the governing body  
16 pursuant to ORS 308.450 to 308.481 is not being complied with, it shall give notice in writing to the  
17 owner, mailed to the owner's last-known address, of the proposed termination of the limited assess-  
18 ment. The notice shall state the reasons for the proposed termination and shall require the owner  
19 to appear at a specified time, not less than 20 days after mailing the notice, to show cause, if any,  
20 why the limited assessment should not be terminated.

21 (2) If the owner does not appear or appears and fails to show cause why the limited assessment  
22 should not be terminated, the governing body shall terminate the limited assessment. A copy of the  
23 termination shall be filed with the county assessor and a copy sent to the owner at the owner's  
24 last-known address, within 10 days after its adoption.

25 (3) The owner may appeal the termination to the circuit court, and from the decision of the  
26 circuit court to the Court of Appeals, as provided by law.

27 (4) If no appeal is taken as provided in subsection (3) of this section, or upon final adjudication,  
28 the county officials having possession of the assessment and tax rolls shall correct the rolls in the  
29 manner provided for omitted property under ORS 311.216 to 311.232 to provide for the assessment  
30 and taxation of any value not included in the valuation of the rehabilitation improvements during  
31 the period of limited assessment prior to termination by the governing body or by a court, in ac-  
32 cordance with the findings of the governing body or the court as to the assessment year in which  
33 the limited assessment is to terminate. The county assessor shall make the valuation of the property  
34 necessary to permit correction of the rolls, and the owner may appeal the valuation in the manner  
35 provided under ORS 311.216 to 311.232. Where there has been a failure to comply, as provided in  
36 subsection (1) of this section, the property shall be revalued beginning January 1 of the assessment  
37 year in which the noncompliance first occurred. Any additional taxes becoming due shall be payable  
38 without interest if paid in the period prior to the 16th day of the month next following the month  
39 of correction. If not paid within such period, the additional taxes shall thereafter be considered  
40 delinquent on the date they would normally have become delinquent if timely extended on the roll  
41 or rolls in the year or years for which the correction was made.

42 **SECTION 3.** ORS 308.481 is amended to read:

43 308.481. Notwithstanding any provision of ORS 308.477, if the governing body finds that the re-  
44 habilitation improvements were not completed by January 1, [2008] **2021**, due to circumstances be-  
45 yond the control of the owner, and that the owner had been acting and could reasonably be expected

1 to act in good faith and with due diligence, the governing body may extend the deadline for com-  
2 pletion for a period not to exceed 12 consecutive months.

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