

# Senate Bill 794

Sponsored by Senator L GEORGE

## 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**.

Excludes urban renewal special levies, certain local option taxes and certain taxes pledged to repay bonded indebtedness from consolidated billing tax rate applicable to urban renewal plans that are substantially amended after October 6, 2001.

Applies to tax years beginning on or after July 1, 2007.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to urban renewal district consolidated billing tax rate; creating new provisions; amending  
3 ORS 457.010; and prescribing an effective date.

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

5 **SECTION 1.** ORS 457.010 is amended to read:

6 457.010. As used in this chapter, unless the context requires otherwise:

7 (1) "Blighted areas" means areas that, by reason of deterioration, faulty planning, inadequate  
8 or improper facilities, deleterious land use or the existence of unsafe structures, or any combination  
9 of these factors, are detrimental to the safety, health or welfare of the community. A blighted area  
10 is characterized by the existence of one or more of the following conditions:

11 (a) The existence of buildings and structures, used or intended to be used for living, commercial,  
12 industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy  
13 for those purposes because of any one or a combination of the following conditions:

14 (A) Defective design and quality of physical construction;

15 (B) Faulty interior arrangement and exterior spacing;

16 (C) Overcrowding and a high density of population;

17 (D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities;

18 or

19 (E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;

20 (b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;

21 (c) The division or subdivision and sale of property or lots of irregular form and shape and in-  
22 adequate size or dimensions for property usefulness and development;

23 (d) The laying out of property or lots in disregard of contours, drainage and other physical  
24 characteristics of the terrain and surrounding conditions;

25 (e) The existence of inadequate streets and other rights of way, open spaces and utilities;

26 (f) The existence of property or lots or other areas that are subject to inundation by water;

27 (g) A prevalence of depreciated values, impaired investments and social and economic  
28 maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are  
29 inadequate for the cost of public services rendered;

30 (h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unpro-

**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 ductive condition of land potentially useful and valuable for contributing to the public health, safety  
2 and welfare; or

3 (i) A loss of population and reduction of proper utilization of the area, resulting in its further  
4 deterioration and added costs to the taxpayer for the creation of new public facilities and services  
5 elsewhere.

6 (2) "Certified statement" means the statement prepared and filed pursuant to ORS 457.430 or  
7 an amendment to the certified statement prepared and filed pursuant to ORS 457.430.

8 (3) "City" means any incorporated city.

9 (4) "Consolidated billing tax rate" means:

10 (a) If the urban renewal plan is an existing urban renewal plan (other than an existing urban  
11 renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)), [or] an urban renewal  
12 plan adopted on or after October 6, 2001, **or an urban renewal plan substantially amended as**  
13 **described in ORS 457.085 (2)(i) on or after October 6, 2001**, the total of all district tax rates used  
14 to extend taxes after any adjustment to reflect tax offsets under ORS 310.105, but does not include  
15 any rate derived from:

16 (A) Any urban renewal special levy under ORS 457.435;

17 (B) A local option tax, as defined in ORS 280.040, that is approved by taxing district electors  
18 after October 6, 2001; or

19 (C) A tax pledged to repay exempt bonded indebtedness (other than exempt bonded indebtedness  
20 used to fund local government pension and disability plan obligations that, until funded by the ex-  
21 empt bonded indebtedness, were described in section 11 (5), Article XI of the Oregon Constitution),  
22 as defined in ORS 310.140, that is approved by taxing district electors after October 6, 2001; and

23 (b) In the case of all other urban renewal plans, the total of all district ad valorem property tax  
24 rates used to extend taxes after any adjustments to reflect tax offsets under ORS 310.105, except  
25 that "consolidated billing tax rate" does not include any urban renewal special levy rate under ORS  
26 457.435.

27 (5)(a) "Existing urban renewal plan" means an urban renewal plan that provides for a division  
28 of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before  
29 December 6, 1996, that:

30 (A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b)  
31 of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A)  
32 or (B), on or after December 6, 1996; and

33 (B) For tax years beginning on or after July 1, 1998, includes the limit on indebtedness as de-  
34 scribed in ORS 457.190 (3).

35 (b) If, on or after July 1, 1998, the maximum limit on indebtedness (adopted by ordinance before  
36 July 1, 1998, pursuant to ORS 457.190) of an existing urban renewal plan is changed by substantial  
37 amendment, then "indebtedness issued or incurred to carry out the existing urban renewal plan" for  
38 purposes of ORS 457.435 includes only the indebtedness within the indebtedness limit adopted by  
39 ordinance under ORS 457.190 (3)(c) before July 1, 1998.

40 (6) "Fiscal year" means the fiscal year commencing on July 1 and closing on June 30.

41 (7) "Governing body of a municipality" means, in the case of a city, the common council or other  
42 legislative body thereof, and, in the case of a county, the board of county commissioners or other  
43 legislative body thereof.

44 (8) "Housing authority" or "authority" means any housing authority established pursuant to the  
45 Housing Authorities Law.

1 (9) "Increment" means that part of the assessed value of a taxing district attributable to any  
2 increase in the assessed value of the property located in an urban renewal area, or portion thereof,  
3 over the assessed value specified in the certified statement.

4 (10) "Maximum indebtedness" means the amount of the principal of indebtedness included in a  
5 plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance  
6 existing indebtedness.

7 (11) "Municipality" means any county or any city in this state. "The municipality" means the  
8 municipality for which a particular urban renewal agency is created.

9 (12) "Taxing body" or "taxing district" means the state, city, county or any other taxing unit  
10 which has the power to levy a tax.

11 (13) "Urban renewal agency" or "agency" means an urban renewal agency created under ORS  
12 457.035 and 457.045.

13 (14) "Urban renewal area" means a blighted area included in an urban renewal plan or an area  
14 included in an urban renewal plan under ORS 457.160.

15 (15) "Urban renewal project" or "project" means any work or undertaking carried out under  
16 ORS 457.170 in an urban renewal area.

17 (16) "Urban renewal plan" or "plan" means a plan, as it exists or is changed or modified from  
18 time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105,  
19 457.115, 457.120, 457.125, 457.135 and 457.220.

20 **SECTION 2. The amendments to ORS 457.010 by section 1 of this 2007 Act apply to tax**  
21 **years beginning on or after July 1, 2007.**

22 **SECTION 3. This 2007 Act takes effect on the 91st day after the date on which the reg-**  
23 **ular session of the Seventy-fourth Legislative Assembly adjourns sine die.**

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