

REVENUE: Revenue Impact Issued

FISCAL: Minimal Fiscal Impact, no statement issued

Action: Do Pass with Amendments and be Printed B-Engrossed

Vote: 5-0-0

Yeas: Hass, Morse, Rosenbaum, Telfer, Burdick

Nays: 0

Exc.: 0

Prepared By: Dae Baek, Economist

Meeting Dates: 5/21, 5/26, 6/1

WHAT THE BILL DOES: Amends statutes relating to urban renewal plans and the maximum amount of indebtedness that may be issued or incurred under a plan. Sets initial maximum indebtedness for urban renewal plans and establishes indexing scheme for increasing the maximum indebtedness for urban renewal plans. Requires concurrence of overlapping taxing districts for substantial plan amendments that increase the maximum indebtedness by more than 20 percent of the plan's initial maximum indebtedness. Establishes a mechanism for an urban renewal agency to limit collection of taxes either for a single fiscal year or in the future. Allows an urban renewal agency to notify the assessor to collect maximum division of taxes for newly approved urban renewal plans and substantially amended plans. Excludes any gap bond levy for Portland school district from the consolidated billing rate in calculating division of tax.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENTS: Makes clarifications in various sections. Removes emergency declaration. Excludes from the consolidated billing rate in calculating division of tax an amount equal to the increase from the recently retired gap bond levy for a specified school district.

BACKGROUND: Cities and counties can activate urban renewal agencies with power to propose and act on plans and projects to remove blighted areas. Most urban renewal plans are funded substantially from portions taken out of local government property tax levies (division of tax revenue). Many urban renewal plans adopted before December 6, 1996 may also raise revenue from an urban renewal levy (special levy revenue). These revenues are used to pay principal and interest on indebtedness the agency has incurred for the urban renewal plan. (Source: <http://www.oregon.gov/DOR/PTD/docs/504-623.pdf>)

Under the current law, an urban renewal agency is required to consult and confer with overlapping taxing districts on matters relating to a plan adoption and amendments, but there is no requirement for concurrence. At the same time there is no restriction on maximum indebtedness either at a plan inception or at the time of amendment to the plan, and there is no mechanism by which an urban renewal agency limits collection of taxes. This bill establishes a formula for maximum indebtedness for a plan, a mechanism by which an urban renewal agency limits collection of taxes under certain circumstances, and places restrictions on plan amendments which increase maximum indebtedness.