

# House Bill 2642

Sponsored by Representative HOLVEY

## 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**.

Limits maximum indebtedness of urban renewal plan to amount based on estimated cost of completing urban renewal projects listed in report accompanying plan. Changes annual reporting date of urban renewal agencies to January 31. Requires agencies to report separately revenues, tax receipts and outstanding debt for each urban renewal plan. Requires that annual report be filed with county assessor and be published before March 1.

## A BILL FOR AN ACT

Relating to urban renewal; amending ORS 457.190 and 457.460.

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

**SECTION 1.** ORS 457.190 is amended to read:

457.190. (1) An urban renewal agency may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, county or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out urban renewal projects.

(2) An urban renewal agency may do all things necessary or desirable to secure such financial aid, including obligating itself in any contract with the federal government for federal financial aid to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default thereunder, in the same manner as a housing authority may do to secure such aid in connection with blighted area clearance and housing projects under the Housing Authorities Law.

(3)(a)(A) Each urban renewal plan adopted by ordinance on or after July 14, 1997, that provides for a division of taxes pursuant to ORS 457.440 shall include in the plan the maximum amount of indebtedness that may be issued or incurred under the plan.

**(B) The maximum amount of indebtedness that may be issued or incurred under a plan adopted by ordinance after December 31, 2009, must be based upon good faith estimates of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation, that are based on the project completion dates estimated in the report accompanying the plan. Completion dates estimated in the report accompanying the plan may not exceed 20 years from the date the ordinance approving the plan is adopted.**

**(C) If the maximum amount of indebtedness of an urban renewal plan is increased by amendment of the plan after December 31, 2009, the increased amount must be based on the project completion dates estimated in the report accompanying the amendment. Completion dates estimated in the report accompanying the amendment may not exceed 20 years from the date the ordinance approving the amendment is adopted.**

**(D) Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not included in the plan, the urban renewal agency may not issue indebtedness for which taxes divided**

**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 under ORS 457.440 are to be pledged to carry out the plan.

2 (b) Each urban renewal plan adopted by ordinance on or after December 6, 1996, and before July  
3 14, 1997, that provides for a division of taxes pursuant to ORS 457.440 but does not include a max-  
4 imum amount of indebtedness that may be issued or incurred under the plan shall be changed, by  
5 substantial plan amendment pursuant to ORS 457.220, to include the maximum amount of indebt-  
6 edness that may be issued or incurred under the plan before July 1, 2000. Notwithstanding sub-  
7 section (1) of this section, if a maximum amount of indebtedness is not included in the plan on or  
8 before July 1, 2000, the urban renewal agency may not on or after July 1, 2000, issue indebtedness  
9 for which taxes divided under ORS 457.440 are to be pledged to carry out the plan.

10 (c)(A) Each existing urban renewal plan that provides for a division of taxes pursuant to ORS  
11 457.420 to 457.460 may be changed by substantial amendment no later than July 1, 1998, to include  
12 a maximum amount of indebtedness that may be issued or incurred under the plan determined as  
13 described in subparagraph (B) of this paragraph. The additional notices required under ORS 457.120  
14 are not required for an amendment adopted pursuant to this paragraph.

15 (B) The maximum amount of indebtedness that may be issued or incurred under the plan, as  
16 determined for purposes of meeting the requirements of this paragraph, shall be based upon good  
17 faith estimates of the scope and costs of projects, including but not limited to increases in costs due  
18 to reasonably anticipated inflation, in the existing urban renewal plan and the schedule for their  
19 completion as completion dates were anticipated as of December 5, 1996. The maximum amount of  
20 indebtedness shall be specified in dollars and cents.

21 (C) Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not  
22 adopted for an existing urban renewal plan as described in this paragraph before July 1, 1998, the  
23 urban renewal agency may not collect funds under ORS 457.435.

24 **SECTION 2.** ORS 457.460 is amended to read:

25 457.460. (1) An agency shall, by [*August 1 of each year,*] **January 31 of the year next following**  
26 **the close of the fiscal year**, prepare a statement on the same basis on which its financial state-  
27 ments are prepared containing:

28 (a) The amount of money received during the preceding fiscal year under ORS 457.420 to 457.460  
29 and from indebtedness incurred under ORS 457.420 to 457.460, **stated separately for each urban**  
30 **renewal plan administered by the agency;**

31 **(b) The amount of money in the special fund of the urban renewal agency attributed to**  
32 **each plan at the end of the preceding fiscal year;**

33 **(c) The total outstanding indebtedness for each urban renewal plan administered by the**  
34 **agency at the end of the preceding fiscal year;**

35 [(b)] **(d)** The purposes and amounts for which any money received under ORS 457.420 to 457.460  
36 and from indebtedness incurred under ORS 457.420 to 457.460 were expended during the preceding  
37 fiscal year;

38 [(c)] **(e)** An estimate of moneys to be received during the current fiscal year under ORS 457.420  
39 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

40 [(d)] **(f)** A budget setting forth the purposes and estimated amounts for which the moneys which  
41 have been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred under  
42 ORS 457.420 to 457.460 are to be expended during the current fiscal year; and

43 [(e)] **(g)** An analysis of the impact, if any, of carrying out the urban renewal plan on the tax  
44 collections for the preceding year for all taxing districts included under ORS 457.430.

45 (2) The statement required by subsection (1) of this section shall be filed with the governing

1 body of the municipality **and the county assessor of the county in which the administrative**  
2 **offices of the agency are located.** Notice shall be published that the statement has been prepared  
3 and is on file with the municipality, **the county assessor** and the agency and the information con-  
4 tained in the statement is available to all interested persons. The notice shall be published once a  
5 week for not less than two successive weeks before [*September 1*] **March 1** of the year [*for*] **in** which  
6 the statement is [*required*] **filed** in accordance with ORS 457.115. The notice shall summarize the  
7 information required under subsection (1)(a) to [*(d)*] **(f)** of this section and shall set forth in full the  
8 information required under subsection [*(1)(e)*] **(1)(g)** of this section.

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