

House Bill 3448

Sponsored by COMMITTEE ON RULES (at the request of Matt Green-Hite)

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**.

Includes property subject to Ballot Measure 49 (2007) land use regulation, the lack of enforcement of which would lead to blight, among conditions characterizing blighted areas for purposes of urban renewal.

Authorizes urban renewal agencies to pay Ballot Measure 49 (2007) just compensation.

A BILL FOR AN ACT

1
2 Relating to Ballot Measure 49 (2007); creating new provisions; and amending ORS 457.010 and
3 457.170.

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[.]; **or**

6 **(j) Property subject to land use regulation as defined in ORS 195.300 (14), the lack of**
 7 **enforcement of which would lead to blight.**

8 (2) “Certified statement” means the statement prepared and filed pursuant to ORS 457.430 or
 9 an amendment to the certified statement prepared and filed pursuant to ORS 457.430.

10 (3) “City” means any incorporated city.

11 (4) “Consolidated billing tax rate” means:

12 (a) If the urban renewal plan is an existing urban renewal plan (other than an existing urban
 13 renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)), an urban renewal plan
 14 that was an existing urban renewal plan on October 6, 2001, (other than an existing urban renewal
 15 plan designated as an Option Three plan under ORS 457.435 (2)(c)) and that was substantially
 16 amended as described in ORS 457.085 (2)(i)(A) or (B) on or after October 6, 2001, or an urban re-
 17 newal plan adopted on or after October 6, 2001, the total of all district tax rates used to extend
 18 taxes after any adjustment to reflect tax offsets under ORS 310.105, but does not include any rate
 19 derived from:

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

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

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

27 (b) In the case of all other urban renewal plans, the total of all district ad valorem property tax
 28 rates used to extend taxes after any adjustments to reflect tax offsets under ORS 310.105, except
 29 that “consolidated billing tax rate” does not include any urban renewal special levy rate under ORS
 30 457.435.

31 (5)(a) “Existing urban renewal plan” means an urban renewal plan that provides for a division
 32 of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before
 33 December 6, 1996, that:

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

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

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

44 (6) “Fiscal year” means the fiscal year commencing on July 1 and closing on June 30.

45 (7) “Governing body of a municipality” means, in the case of a city, the common council or other

1 legislative body thereof, and, in the case of a county, the board of county commissioners or other
2 legislative body thereof.

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

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

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

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

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

15 (13) "Urban renewal agency" or "agency" means an urban renewal agency created under ORS
16 457.035 and 457.045.

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

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

21 (16) "Urban renewal plan" or "plan" means a plan, as it exists or is changed or modified from
22 time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105,
23 457.115, 457.120, 457.125, 457.135 and 457.220.

24 **SECTION 2.** ORS 457.170 is amended to read:

25 457.170. An urban renewal agency may plan or undertake any urban renewal project to carry
26 out an approved urban renewal plan. In planning or undertaking an urban renewal project, the
27 urban renewal agency has the power:

28 (1) To carry out any work or undertaking and exercise any powers which a housing authority
29 is authorized to perform or exercise under ORS 456.055 to 456.235, subject to the provisions of this
30 chapter provided, however, that ORS 456.155 and 456.160 do not limit the power of an agency in
31 event of a default by a purchaser or lessee of land in an urban renewal plan to acquire property
32 and operate it free from the restrictions in those sections.

33 (2) To carry out any rehabilitation or conservation work in an urban renewal area.

34 (3) To acquire real property, by condemnation if necessary, when needed to carry out the plan.

35 (4) To clear any areas acquired, including the demolition, removal or rehabilitation of buildings
36 and improvements.

37 (5) To install, construct or reconstruct streets, utilities and site improvements in accordance
38 with the urban renewal plan.

39 (6) To carry out plans for a program of the voluntary repair and rehabilitation of buildings or
40 other improvements in an urban renewal area in accordance with the urban renewal plan.

41 (7) To assist in relocating persons living in, and property situated in, the urban renewal area
42 in accordance with the approved urban renewal plan and to make relocation payments.

43 (8) To dispose of, including by sale or lease, any property or part thereof acquired in the urban
44 renewal area in accordance with the approved urban renewal plan.

45 (9) To plan, undertake and carry out neighborhood development programs consisting of urban

1 renewal project undertakings in one or more urban renewal areas which are planned and carried
2 out on the basis of annual increments in accordance with the provisions of this chapter for planning
3 and carrying out urban renewal plans.

4 **(10) To pay just compensation as defined in ORS 195.300 (13).**

5 ~~[(10)]~~ **(11)** To accomplish a combination of the things listed in this section to carry out an urban
6 renewal plan.

7 **SECTION 3. The amendments to ORS 457.010 and 457.170 by sections 1 and 2 of this 2009**
8 **Act apply to urban renewal plans adopted or substantially amended on or after the effective**
9 **date of this 2009 Act.**

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