

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Revenue by prior reference
Vote:	8 - 0 - 0
Yeas:	Cameron, Clem, Conger, Matthews, Sheehan, Smith J., Holvey, Whisnant
Nays:	0
Exc.:	0
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	3/15, 4/12, 4/14

WHAT THE MEASURE DOES: Requires each urban renewal agency to determine each year whether the maximum indebtedness of the urban renewal plan will be fully paid within the year, and if so, to notify the county assessor.

ISSUES DISCUSSED:

- Use of Form UR 50, a Department of Revenue annual notification
- Allow January 1 date of determination to align with budget process timelines
- Content of mandated audit
- Existing audits of urban renewal agencies
- Approval process City of Eugene uses for urban renewal programs
- Local control
- Need for accountability and oversight
- Assessors' need for information as well as notification
- Comprehensive reform of urban renewal agencies passed in 2009 (House Bill 3056)

EFFECT OF COMMITTEE AMENDMENT: Changes date from January 1 to June 30 for urban renewal agency to determine whether, in the next 12-month period, the maximum indebtedness of the plan will be fully paid or deposits in the special fund will be enough to pay the principal and interest on the maximum indebtedness. Requires urban renewal agency that makes an affirmative determination to notify the assessor no later than July 15. Deletes the provisions relating to audits.

BACKGROUND: Urban renewal allows municipalities to develop and revitalize areas using public investment to stimulate private investment. Originally designed to address housing issues, urban renewal is now also used for downtown revitalization, multi-use projects, and economic development. There are three tools available to urban renewal agencies not otherwise available to local governments: tax increment financing, powers to buy and assemble sites, flexibility in working with private parties.

Urban renewal agencies were created in every city and county by Oregon statute but the governing body of the municipality can choose whether or not to activate the agency. The governing body can choose from three options as to how the urban renewal agency will be governed: by a housing authority, by an appointed board or commission, or by the municipal governing body itself.