

**REVENUE:** Revenue statement issued

**FISCAL:** Minimal fiscal impact, no statement issued

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<b>Action:</b>	Do Pass as Amended and Be Referred to the Committee on Finance and Revenue by prior reference
<b>Vote:</b>	5 - 0 - 1
<b>Yeas:</b>	Atkinson, Edwards, Girod, Starr, Beyer
<b>Nays:</b>	0
<b>Exc.:</b>	Burdick
<b>Prepared By:</b>	Richard Berger, Administrator
<b>Meeting Dates:</b>	3/15, 3/31

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**WHAT THE MEASURE DOES:** Permits urban renewal plans to include school construction or reconstruction projects. Permits urban renewal plans in effect for at least ten years to add a limited amount of noncontiguous lands to urban renewal areas of a large metropolitan plan. Exempts tax increment revenues used for school projects within urban renewal plans from being subject to the limitations of other funds. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Limiting applicability to the Portland area
- Need of David Douglas School District to have a new elementary school but the difficulty of obtaining funds through a bond
- Concern that Portland School District taxpayers would be paying for a school in the David Douglas School District
- Concerns that school construction was not core to the economic development mission of urban renewal

**EFFECT OF COMMITTEE AMENDMENT:** Specifies that noncontiguous land can only be added to an urban renewal area of a large metropolitan plan.

**BACKGROUND:** Oregon Revised Statute Chapter 457 describes how urban renewal functions in Oregon. The law gives each city and county the ability to activate an urban renewal agency in order to remove "blight" from an area. Most urban renewal plans are funded substantially from portions of local government property tax levies through tax increment financing. Tax increment financing allows the urban renewal agency to capture tax revenue from increased property values that otherwise would have gone to pay for other services.