

House Bill 3178

Sponsored by COMMITTEE ON REVENUE

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**.

Authorizes local governments to propose transit benefit districts covering area within quarter-mile radius of rail stations. Provides that transit benefit districts are eligible for public works projects that support transit-oriented development, to be funded by property taxes assessed on increase in land value directly attributable to benefit derived by property from presence of rail station.

A BILL FOR AN ACT

1
2 Relating to transit benefit districts.

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

4 **SECTION 1. (1) For purposes of sections 1 to 5 of this 2011 Act, "public works projects**
5 **that support transit-oriented development" includes below-market rate housing, right-of-way**
6 **improvements, the enhancement of street connectivity and feeder transit connections, bicy-**
7 **cle and pedestrian amenities and public art, parks and plazas.**

8 **(2) The governing body of a local government may propose by resolution the area within**
9 **a quarter-mile radius of a rail station, that is within a transit corridor and the local**
10 **government's jurisdiction, as a transit benefit district eligible for public works projects that**
11 **support transit-oriented development.**

12 **(3) A resolution adopted under subsection (2) of this section must:**

13 **(a) Describe the boundaries of the transit benefit district within which property will be**
14 **assessed pursuant to section 3 of this 2011 Act;**

15 **(b) Designate the maximum duration for which assessments will be imposed on property**
16 **within the transit benefit district for the purpose of funding public works projects that sup-**
17 **port transit-oriented development;**

18 **(c) Describe the public works projects to be undertaken and the priority of the projects**
19 **according to a subarea plan prepared by the local government's planning agency;**

20 **(d) Include a capital financing plan for the public works projects;**

21 **(e) Require notice to owners of property within the transit benefit district in the manner**
22 **described in section 2 of this 2011 Act;**

23 **(f) Prescribe the procedure for final adoption or enactment of an ordinance or resolution**
24 **designating the transit benefit district and assessing property in the district; and**

25 **(g) Specify the time and place where the governing body will hear and consider objections**
26 **to the proposed transit benefit district and the public works projects by any aggrieved par-**
27 **ties.**

28 **SECTION 2. (1) The notice required under section 1 of this 2011 Act must contain all the**
29 **information required in the resolution adopted under section 1 of this 2011 Act.**

30 **(2) The notice may be made, by the recorder or other person designated by the governing**

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 body of the local government, by posting in conspicuous public places within the proposed
 2 transit benefit district, by newspaper publication or by mail, or any combination, not less
 3 than 10 days before the public hearing specified in the resolution adopted under section 1 of
 4 this 2011 Act.

5 (3) If the notice is to be made by mail, the notice must be addressed to the owner of
 6 property within the proposed transit benefit district or the owner's agent. If the address of
 7 the owner or of the owner's agent is unknown to the person making notice, the person shall
 8 mail the notice addressed to the owner or the owner's agent at the address where the prop-
 9 erty is located. A mistake, error, omission or failure with respect to the mailing is not ju-
 10 risdictional and does not invalidate the assessment proceedings, but there shall be no
 11 foreclosure or legal action to collect until notice has been given by personal service upon the
 12 property owner, or, if personal service cannot be had, then by publication once a week for
 13 two successive weeks in a newspaper designated by the governing body and having general
 14 circulation within the boundaries of the local government where the property is located.

15 **SECTION 3.** (1) If the governing body of a local government adopts or enacts a final or-
 16 dinance or resolution approving the proposed transit benefit district, on each succeeding
 17 January 1, the county assessor shall determine the annual levy amount for the district as
 18 an amount equal to the total increase in land value directly attributable to the benefit de-
 19 rived by all property within the district from the presence of the rail station at the center
 20 of the district.

21 (2) Individual property within the district shall be assessed a share of the total attribut-
 22 able increase in land value in proportion to:

23 (a) The current capitalized land value of the property; or

24 (b) The additional zoned capacity that results from rezoning that increases density or
 25 floor area of the benefited properties within the district.

26 (3) The total of the assessments imposed under subsection (2) of this section shall equal
 27 the annual levy amount determined under subsection (1) of this section.

28 (4) The recorder or other person designated by the governing body shall prepare the as-
 29 sessments required under this section to the respective lots within the district and file the
 30 assessments in the appropriate office of the local government.

31 (5)(a) Notice of the assessment shall be mailed or personally delivered to the owner of
 32 each property assessed.

33 (b) The notice shall state the amount of the assessment on that property and shall fix a
 34 date by which objections must be filed with the recorder.

35 (6)(a) An objection to an assessment must state the grounds for the objection.

36 (b) The governing body shall consider the objections and grounds and may adopt, correct,
 37 modify or revise the assessments.

38 (7) The Department of Revenue shall adopt rules applicable to transit benefit districts
 39 that establish a methodology for determining the total attributable increase in land value and
 40 individual property assessments under this section.

41 (8) Owners of property against which an assessment has been imposed under this section
 42 may seek a review of the assessment under ORS 34.010 to 34.100.

43 **SECTION 4.** (1) An assessment imposed under section 3 of this 2011 Act becomes a lien
 44 upon the property assessed upon passage of an ordinance or resolution spreading the as-
 45 sessments and entry in the appropriate lien record of the local government. The local gov-

1 ernment may enforce collection of such assessments as provided by ORS 223.505 to 223.650.

2 (2)(a) In lieu of enforcing liens and collecting assessments as provided in subsection (1)
3 of this section, a local government may certify the assessment, in the manner provided in
4 ORS 310.060, to the county assessor of each county in which the property assessed is located.

5 (b) If the assessments are certified as provided in this subsection, the county assessor
6 shall:

7 (A) Enter the assessment upon the county assessment roll against the property described
8 in the certificate, in the manner that other local government assessments are entered;

9 (B) Collect, account for and enforce the assessments in the manner that local govern-
10 ment taxes are collected, accounted for and enforced; and

11 (C) Transfer, as provided by law, the assessments collected to the local government that
12 imposed the assessment.

13 (3) A local government may issue revenue bonds, payable from transit benefit district
14 revenues, to finance public works projects that support transit-oriented development, in-
15 cluding replacement or additional below-market rate housing.

16 **SECTION 5.** In levying, collecting and enforcing assessments pursuant to sections 1 to 5
17 of this 2011 Act:

18 (1) Real property may be described by giving the subdivision according to the United
19 States survey when coincident with the boundaries of the real property, or by lots, blocks
20 and addition names, or by giving the boundaries by metes and bounds, or by reference to the
21 book and page of any public record of the county where the description may be found, or by
22 designation of tax lot number referring to a record kept by the assessor of descriptions of
23 real properties of the county, which record shall constitute a public record, or in any other
24 manner as to cause the description to be capable of being made certain. Initial letters, ab-
25 breviations, figures, fractions and exponents, to designate the township, range, section, or
26 part of a section, or the number of any lot or block or part of a lot or block, or any distance,
27 course, bearing or direction, may be employed in any description of real property.

28 (2) If the owner of any real property is unknown, the real property may be assessed to
29 “unknown owner” or “unknown owners.” If the property is correctly described, no final as-
30 sessment shall be invalidated by a mistake in the name of the owner of the real property
31 assessed or by the omission of the name of the owner or the entry of a name other than that
32 of the true owner. Where the name of the true owner, or the owner of record, of any parcel
33 of real property is given, the final assessment may not be held invalid on account of any
34 error or irregularity in the description if the description would be sufficient in a deed of
35 conveyance from the owner, or is such that, in a suit to enforce a contract to convey, em-
36 ploying such description a court of equity would hold it to be good and sufficient.

37 (3) Any description of real property that conforms substantially to the requirements of
38 this section is a sufficient description in all proceedings of assessment relating or leading to
39 a final assessment for public works projects that support transit-oriented development,
40 foreclosure and sale of delinquent assessments, and in any other proceeding related to or
41 connected with levying, collecting and enforcing final assessments for special benefits to the
42 property.