

A-Engrossed
Senate Bill 217

Ordered by the Senate April 5
Including Senate Amendments dated April 5

Sponsored by Senator MONROE, Representatives SCHAUFLEER, J SMITH (Presession filed.)

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.

Permits urban renewal plans to include school construction or reconstruction projects. Permits certain urban renewal plans to add certain noncontiguous lands to urban renewal areas **of large metropolitan plans**. Requires urban renewal agencies to categorize tax increment revenues used for school projects within urban renewal plan as school system funds.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to urban renewal; amending ORS 310.150, 457.010, 457.170, 457.190, 457.220 and 457.460; and
3 prescribing an effective date.

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;

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 (g) A prevalence of depreciated values, impaired investments and social and economic
2 maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are
3 inadequate for the cost of public services rendered;

4 (h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unpro-
5 ductive condition of land potentially useful and valuable for contributing to the public health, safety
6 and welfare; [or]

7 (i) A loss of population and reduction of proper utilization of the area, resulting in its further
8 deterioration and added costs to the taxpayer for the creation of new public facilities and services
9 elsewhere; or

10 **(j) The existence of physical, economic or financial conditions that prevent or impede the**
11 **construction or reconstruction of public facilities within the area or in a nearby area.**

12 (2) "Certified statement" means the statement prepared and filed pursuant to ORS 457.430 or
13 an amendment to the certified statement prepared and filed pursuant to ORS 457.430.

14 (3) "City" means any incorporated city.

15 (4) "Consolidated billing tax rate" means:

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

24 (A) Any urban renewal special levy under ORS 457.435.

25 (B) A local option tax, as defined in ORS 280.040, that is approved by taxing district electors
26 after October 6, 2001.

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

31 (D) The increase in the rate of ad valorem property tax allowable under section 11 (5)(d), Article
32 XI of the Oregon Constitution, for a school district with a statutory rate limit on July 1, 2003, that
33 is greater than \$4.50 per \$1,000 of assessed value, to the extent that the increase is excluded from
34 local revenues, as that term is used in ORS chapter 327, and provided that the school district noti-
35 fies the county assessor of the rate to be excluded for the current fiscal year not later than July
36 15.

37 (b) In the case of all other urban renewal plans, the total of all district ad valorem property tax
38 rates used to extend taxes after any adjustments to reflect tax offsets under ORS 310.105, except
39 that "consolidated billing tax rate" does not include any urban renewal special levy rate under ORS
40 457.435.

41 (5)(a) "Existing urban renewal plan" means an urban renewal plan that provides for a division
42 of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before
43 December 6, 1996, that:

44 (A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b)
45 of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A)

1 or (B), on or after December 6, 1996; and

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

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

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

10 (7) “Governing body of a municipality” means, in the case of a city, the common council or other
11 legislative body thereof, and, in the case of a county, the board of county commissioners or other
12 legislative body thereof.

13 (8) “Housing authority” or “authority” means any housing authority established pursuant to the
14 Housing Authorities Law.

15 (9) “Increment” means that part of the assessed value of a taxing district attributable to any
16 increase in the assessed value of the property located in an urban renewal area, or portion thereof,
17 over the assessed value specified in the certified statement.

18 (10) “Maximum indebtedness” means the amount of the principal of indebtedness included in a
19 plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance
20 existing indebtedness.

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

23 (12) “Taxing body” or “taxing district” means the state, city, county or any other taxing unit
24 which has the power to levy a tax.

25 (13) “Urban renewal agency” or “agency” means an urban renewal agency created under ORS
26 457.035 and 457.045.

27 (14) “Urban renewal area” means a blighted area **or nearby contiguous land** included in an
28 urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

29 (15) “Urban renewal project” or “project” means any work or undertaking carried out under
30 ORS 457.170 in an urban renewal area.

31 (16) “Urban renewal plan” or “plan” means a plan, as it exists or is changed or modified from
32 time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105,
33 457.115, 457.120, 457.125, 457.135 and 457.220.

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

35 457.170. An urban renewal agency may plan or undertake any urban renewal project to carry
36 out an approved urban renewal plan. In planning or undertaking an urban renewal project, the
37 urban renewal agency has the power:

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

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

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

45 (4) To clear any areas acquired, including the demolition, removal or rehabilitation of buildings

1 and improvements.

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

4 **(6) To construct or reconstruct public schools in accordance with the urban renewal plan.**

5 [(6)] (7) To carry out plans for a program of the voluntary repair and rehabilitation of buildings
6 or other improvements in an urban renewal area in accordance with the urban renewal plan.

7 [(7)] (8) To assist in relocating persons living in, and property situated in, the urban renewal
8 area in accordance with the approved urban renewal plan and to make relocation payments.

9 [(8)] (9) To dispose of, including by sale or lease, any property or part thereof acquired in the
10 urban renewal area in accordance with the approved urban renewal plan.

11 [(9)] (10) To plan, undertake and carry out neighborhood development programs consisting of
12 urban renewal project undertakings in one or more urban renewal areas which are planned and
13 carried out on the basis of annual increments in accordance with the provisions of this chapter for
14 planning and carrying out urban renewal plans.

15 [(10)] (11) To accomplish a combination of the things listed in this section to carry out an urban
16 renewal plan.

17 **SECTION 3.** ORS 457.190 is amended to read:

18 457.190. (1) An urban renewal agency may borrow [*money*] **moneys** and accept advances, loans,
19 grants and any other form of financial assistance from the federal government, the state, county or
20 other public body, or from any sources, public or private, for the purposes of undertaking and car-
21 rying out urban renewal projects.

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

28 (3)(a)(A) Each urban renewal plan adopted by ordinance on or after July 14, 1997, that provides
29 for a division of taxes pursuant to ORS 457.440 shall include in the plan the maximum amount of
30 indebtedness that may be issued or incurred under the plan. Notwithstanding subsection (1) of this
31 section, if a maximum amount of indebtedness is not included in the plan, the urban renewal agency
32 may not issue indebtedness for which taxes divided under ORS 457.440 are to be pledged to carry
33 out the plan.

34 **(B) The maximum amount of indebtedness that may be issued or incurred under an ur-**
35 **ban renewal plan adopted by ordinance on or after November 1, 2011, that provides for a di-**
36 **vision of taxes pursuant to ORS 457.440 must be based on good faith estimates of the scope**
37 **and costs of projects. The estimates must include increases in costs due to reasonably an-**
38 **ticipated inflation and be based on the anticipated project completion dates in the report**
39 **accompanying the plan. Anticipated completion dates may not exceed 20 years from the date**
40 **the ordinance approving the plan is adopted.**

41 **(C) If the maximum amount of indebtedness that may be issued or incurred under an**
42 **urban renewal plan is increased by amendment of the plan pursuant to ORS 457.220 on or**
43 **after November 1, 2011, the increased amount must be based on the anticipated project**
44 **completion dates in the report accompanying the amendment. Anticipated completion dates**
45 **may not exceed 20 years from the date the ordinance approving the amendment is adopted.**

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

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

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

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

23 (4) For an urban renewal plan initially approved on or after January 1, 2010, other than for a
 24 large metropolitan plan as defined in ORS 457.470, the initial maximum indebtedness that may be
 25 issued or incurred under the plan shall be established as follows:

26 (a) If the total assessed value in the certified statement under ORS 457.430 is less than or equal
 27 to \$50 million, the initial maximum indebtedness may not exceed \$50 million.

28 (b) If the total assessed value in the certified statement is more than \$50 million and less than
 29 or equal to \$150 million, the initial maximum indebtedness may not exceed \$50 million plus 50 per-
 30 cent of the total assessed value in the certified statement that is over \$50 million.

31 (c) If the total assessed value in the certified statement exceeds \$150 million, the initial maxi-
 32 mum indebtedness may not exceed \$100 million, plus 35 percent of the total assessed value in the
 33 certified statement that is over \$150 million.

34 (d) Beginning July 1, 2010, the dollar limits set forth in this subsection may be increased on July
 35 1 of each year by the index used in the urban renewal report to compute the future costs of projects
 36 that will be financed under the plan.

37 (e) The limits in this subsection do not apply if the agency obtains concurrence as provided in
 38 ORS 457.470.

39 **SECTION 4.** ORS 457.220 is amended to read:

40 457.220. (1) Except [*for the provisions of subsections (2) and (4) of*] **as otherwise provided in** this
 41 section, an urban renewal agency shall carry out the urban renewal plan approved under ORS
 42 457.095.

43 (2) Any substantial change made in the urban renewal plan [*shall*] **must**, before being carried
 44 out, be approved and recorded in the same manner as the original plan.

45 (3) [*No*] Land equal to **not** more than 20 percent of the total land area of the original plan

1 [shall] **may** be added to the urban renewal areas of a plan by amendments.

2 (4) On or after January 1, 2010, the urban renewal agency may amend a plan that is not a large
3 metropolitan plan as defined in ORS 457.470 to increase the maximum indebtedness, provided that:

4 (a) The aggregate of all amendments under this subsection may not exceed 20 percent of the
5 plan's initial maximum indebtedness, as adjusted pursuant to paragraph (b) of this subsection.

6 (b) For purposes of computing the 20 percent limit on increases in maximum indebtedness, the
7 initial maximum indebtedness may be increased annually on the anniversary date of initial approval
8 of the plan by the index used in the urban renewal report to compute the future costs of projects
9 that will be financed under the plan, beginning on the later of July 1, 1999, or the first anniversary
10 of plan approval. This increase may be applied only to the first amendment to the maximum
11 indebtedness that is made on or after January 1, 2010.

12 (5) The limits in subsection (4) of this section do not apply if the agency obtains concurrence
13 as provided in ORS 457.470.

14 **(6)(a) In addition to and not in lieu of land added to an urban renewal area under sub-**
15 **section (3) of this section, noncontiguous land may be added by amendment to an urban re-**
16 **newal area of a large metropolitan plan as defined in ORS 457.470 if:**

17 **(A) The cumulative area of the noncontiguous land does not exceed 10 percent of the**
18 **urban renewal area described in the original plan;**

19 **(B) The plan was in effect for at least 10 years before the adoption of the amendment**
20 **adding the noncontiguous land; and**

21 **(C) The amount of moneys available to pay the cost of the plan has increased from the**
22 **estimates required to be filed with the original plan under ORS 457.085 by at least 10 percent.**

23 **(b)(A) An amendment adding noncontiguous land to an urban renewal area of a large**
24 **metropolitan plan must include an increase in the maximum amount of indebtedness allowed**
25 **under the plan. The increase in the maximum amount of indebtedness required under this**
26 **paragraph is in addition to and not in lieu of other increases in the maximum amount of**
27 **indebtedness authorized under this chapter.**

28 **(B) An amount of not more than 15 percent of the difference between the original maxi-**
29 **imum amount of indebtedness and the maximum amount of indebtedness allowed under the**
30 **amendment adopted under this subsection must be allocated by the plan for projects that**
31 **are:**

32 **(i) Located in the noncontiguous area; and**

33 **(ii) Eligible for tax increment expenditures under ORS 457.170.**

34 **SECTION 5.** ORS 457.460 is amended to read:

35 457.460. (1) Not later than January 31 of each year, an urban renewal agency shall prepare a
36 statement on the same basis on which its financial statements are prepared containing:

37 (a) The amount of [*money*] **moneys** received during the preceding fiscal year under ORS 457.420
38 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460, **stated separately for**
39 **each urban renewal plan administered by the agency;**

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

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

44 [*b*] **(d) The purposes and amounts for which any [*money*] moneys received under ORS 457.420**
45 **to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 were expended during the**

1 preceding fiscal year;

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

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

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

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

18 **SECTION 6.** ORS 310.150 is amended to read:

19 310.150. (1) The three categories within which ad valorem property tax items are to be cate-
20 gorized in the notice to be filed under ORS 310.060 and for which category rates of ad valorem
21 property taxes are to be computed under ORS 310.090 and tentative consolidated category rates are
22 to be computed for each code area under ORS 310.147 are as follows:

23 (a) Taxes levied or imposed for the purpose of funding exempt bonded indebtedness.

24 (b) Taxes levied or imposed for the purpose of funding the public school system and that are not
25 described in paragraph (a) of this subsection.

26 (c) Taxes levied or imposed for the purpose of funding government operations other than public
27 school system operations and that are not described in paragraph (a) of this subsection.

28 (2) After computation of the tentative ad valorem property tax consolidated rate for each cate-
29 gory under ORS 310.147, and after calculation of the amount of ad valorem property taxes to be
30 imposed on properties in the county, but before extending any taxes on the assessment and tax roll,
31 the assessor shall determine whether the total amount of taxes on property to be imposed on each
32 property in the code area in each category is within the limits described in subsection (3) of this
33 section.

34 (3)(a) The assessor shall determine whether the ad valorem property taxes to be imposed on any
35 property exceed the limits described in this subsection in order to ensure, as guaranteed in section
36 11 (11) and 11b, Article XI of the Oregon Constitution, that taxes imposed in each geographic area
37 taxed by the same local taxing districts do not exceed \$5 (public school system) and \$10 (other
38 government) per \$1,000 of real market value.

39 (b) For the category of taxes imposed for the purpose of funding the public school system that
40 are not for the purpose of paying principal and interest on exempt bonded indebtedness, if the ten-
41 tative consolidated ad valorem property tax rate determined under subsection (2) of this section
42 exceeds \$5 per \$1,000 of real market value, the consolidated rate shall be adjusted as provided in
43 this section so that the consolidated rate for the public school system category equals \$5 per \$1,000
44 of real market value.

45 (c) For the category of taxes imposed for the purpose of funding government operations other

1 than the public school system and that are not for the purpose of paying principal and interest on
2 exempt bonded indebtedness, if the tentative consolidated ad valorem property tax rate exceeds \$10
3 per \$1,000 of real market value, the consolidated rate shall be adjusted as provided in this section
4 so that the consolidated rate for the other government category equals \$10 per \$1,000 of real market
5 value.

6 (d) For the category of taxes imposed for the purpose of paying principal and interest on exempt
7 bonded indebtedness, the tentative consolidated rate determined under subsection (2) of this section
8 shall be the consolidated rate for the exempt bonded indebtedness category.

9 (4) If the taxes on property in either category to be imposed on any property in the code area
10 exceed the limit established for that category in subsection (3) of this section, the assessor shall
11 reduce the taxes by applying a reduction ratio.

12 (5)(a) If local option taxes described under ORS 280.040 to 280.145 have been adopted by one or
13 more taxing districts in the code area, the reduction ratio shall be calculated under this subsection
14 and applied only to the local option taxes imposed on the property for which the taxes are being
15 determined.

16 (b) Local option taxes subject to compression under this subsection include urban renewal divi-
17 sion of tax revenue that is derived from the division of local option tax authority.

18 (c) The numerator of the reduction ratio shall be the amount obtained (but not less than zero)
19 by subtracting the tentative consolidated category rate of ad valorem property taxes that are not
20 local option taxes from the maximum rate of ad valorem property taxes for the category described
21 in subsection (3) of this section.

22 (d) The denominator for the ratio shall be the total rate of all local option taxes for the cate-
23 gory.

24 (e) The assessor shall multiply the reduction ratio determined under this subsection by each
25 local option tax amount to which the property is subject in the category.

26 (f) So reduced, the assessor shall again determine if the total taxes for the category to be im-
27 posed on the property exceed the limits described in subsection (3) of this section. If the reduced
28 taxes for the category do not exceed the category limit, such taxes shall be the taxes used to com-
29 pute the consolidated rate for the code area in which the property is located. If the reduced taxes
30 for the category still exceed the category limit after all local option taxes have been eliminated, the
31 taxes in the category shall be subject to further reduction under subsection (6) of this section.

32 (6)(a) If the property is not subject to local option taxes or if all local option taxes have been
33 eliminated as a result of the application of the reduction ratio calculated under subsection (5) of this
34 section, and the tentative consolidated rate determined under ORS 310.147 for the category exceeds
35 the maximum rate of ad valorem property taxes for the category described in subsection (3) of this
36 section, the reduction ratio shall be determined under this subsection.

37 (b) The numerator of the reduction ratio shall be the maximum rate permitted for the category
38 described in subsection (3) of this section.

39 (c) The denominator of the reduction ratio shall be the tentative consolidated category rate
40 under ORS 310.147 (or the category rate applicable to the property after the reduction under sub-
41 section (5) of this section, if applicable).

42 (d) The assessor shall multiply the reduction ratio determined under this subsection by the
43 amount of each taxing district item of ad valorem property tax that is a component of the tentative
44 consolidated category rate for the code area in which the property is located.

45 (7) In determining whether the taxes described in subsection (1)(c) of this section exceed the

1 limitation under subsection (3)(c) of this section, all moneys raised through the urban renewal spe-
2 cial levy described in ORS 457.435 and all moneys raised through the urban renewal division of tax,
3 including amounts derived from exempt bonded indebtedness authority and local option tax author-
4 ity, **but not including moneys raised through urban renewal division of tax that are used for**
5 **urban renewal projects for the construction or reconstruction of public schools**, must be cat-
6 egorized as subject to the limitation described in subsection (3)(c) of this section.

7 **SECTION 7. This 2011 Act takes effect on the 91st day after the date on which the 2011**
8 **session of the Seventy-sixth Legislative Assembly adjourns sine die.**

9
