

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 0 - 0
Yeas:	Cameron, Davis, Frederick, Holvey, Thatcher, Unger, Clem
Nays:	0
Exc.:	0
Prepared By:	Lynn Beaton, Administrator
Meeting Dates:	4/11, 4/18

WHAT THE MEASURE DOES: Allows city to assess charge in lieu of forming local improvement district (LID) or as prepayment against assessment for future LID in amount equal to property's share of cost of improvements that will benefit property. Allows city to assess charge when property owner applies for partition and requires that such charge: may not exceed \$5,000; is due and payable at time, and as condition, of city's issuance of subsequent development or building permit for same property; and must be kept in fund dedicated to purpose for which charge was assessed. Prohibits city, when assessing charge or requiring prepayment, from requiring property owner enter into nonremonstrance agreement with respect to future formation of LID, and requires city credit amount of charge or prepayment toward future LID assessments for improvements for which charge or prepayment is assessed. Authorizes city to require property owner complete full improvements; pay fee in lieu of full improvements, payable by property owner in amount equal to estimated costs of full improvements, if property owner agrees; or enter into nonremonstrance agreement in lieu of full improvements. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Example of city charging more money than originally indicated
- Purposes of system development charges

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: Oregon law allows local governments to collect assessments from landowners to pay for local improvements. A local improvement district is a geographic area in which real property is taxed or special assessments are applied to finance local improvements in cities, counties, and some special districts. Common improvements include such things as storm and sanitary sewers, street paving, curbs, sidewalks, water lines, recreational facilities, street lighting, and off-street parking. The basic principle of special assessment is that it is a charge imposed upon property owners who receive special benefits from an improvement beyond the general benefits received by all citizens of the community.

When the owner of a previously underdeveloped piece of property requests approval of a land use action affecting the property, such as a partition or subdivision, most Oregon cities will require an agreement which commits the property owner to fund their proportionate share of future improvements. Many Oregon cities also require that property owners enter into a non-remonstrance agreement agreeing not to object to the local improvement district which will ultimately be formed to pay for infrastructure when a project of sufficient size can be assembled.

House Bill 3479 A would allow cities to continue collecting an assessment for future improvement costs at the time the property owner receives a building permit or development occurs, but would limit the amount that could be assessed to a property owner and would require that the assessment be kept in a dedicated fund.

4/25/2013 10:57:00 AM

This summary has not been adopted or officially endorsed by action of the committee.