

House Bill 2632

Sponsored by Representative DOHERTY (Pre-session 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 **as introduced**.

Excludes local option taxes from definition of "consolidated billing tax rate" for purposes of computing urban renewal division of taxes for certain urban renewal plans.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to consolidated billing tax rate for purposes of urban renewal; creating new provisions;
3 amending ORS 457.010; and 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;

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

30 (h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unpro-
31 ductive condition of land potentially useful and valuable for contributing to the public health, safety

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 and welfare; or

2 (i) A loss of population and reduction of proper utilization of the area, resulting in its further
3 deterioration and added costs to the taxpayer for the creation of new public facilities and services
4 elsewhere.

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

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

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

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

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

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

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

24 (D) The increase in the rate of ad valorem property tax allowable under section 11 (5)(d), Article
25 XI of the Oregon Constitution, for a school district with a statutory rate limit on July 1, 2003, that
26 is greater than \$4.50 per \$1,000 of assessed value, to the extent that the increase is excluded from
27 local revenues, as that term is used in ORS chapter 327, and provided that the school district noti-
28 fies the county assessor of the rate to be excluded for the current fiscal year not later than July
29 15.

30 (b) In the case of all other urban renewal plans, the total of all district ad valorem property tax
31 rates used to extend taxes after any adjustments to reflect tax offsets under ORS 310.105, except
32 that "consolidated billing tax rate" does not include any urban renewal special levy rate under ORS
33 457.435 **or a local option tax, as defined in ORS 280.040, that is approved by taxing district**
34 **electors after the effective date of this 2013 Act.**

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

38 (A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b)
39 of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A)
40 or (B), on or after December 6, 1996; and

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

43 (b) If, on or after July 1, 1998, the maximum limit on indebtedness (adopted by ordinance before
44 July 1, 1998, pursuant to ORS 457.190) of an existing urban renewal plan is changed by substantial
45 amendment, then "indebtedness issued or incurred to carry out the existing urban renewal plan" for

1 purposes of ORS 457.435 includes only the indebtedness within the indebtedness limit adopted by
2 ordinance under ORS 457.190 (3)(c) before July 1, 1998.

3 (6) "Fiscal year" means the fiscal year commencing on July 1 and closing on June 30.

4 (7) "Governing body of a municipality" means, in the case of a city, the common council or other
5 legislative body thereof, and, in the case of a county, the board of county commissioners or other
6 legislative body thereof.

7 (8) "Housing authority" or "authority" means any housing authority established pursuant to the
8 Housing Authorities Law.

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

12 (10) "Maximum indebtedness" means the amount of the principal of indebtedness included in a
13 plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance
14 existing indebtedness.

15 (11) "Municipality" means any county or any city in this state. "The municipality" means the
16 municipality for which a particular urban renewal agency is created.

17 (12) "Taxing body" or "taxing district" means the state, city, county or any other taxing unit
18 which has the power to levy a tax.

19 (13) "Urban renewal agency" or "agency" means an urban renewal agency created under ORS
20 457.035 and 457.045.

21 (14) "Urban renewal area" means a blighted area included in an urban renewal plan or an area
22 included in an urban renewal plan under ORS 457.160.

23 [(15) "Urban renewal project" or "project" means any work or undertaking carried out under ORS
24 457.170 in an urban renewal area.]

25 [(16)] (15) "Urban renewal plan" or "plan" means a plan, as it exists or is changed or modified
26 from time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105,
27 457.115, 457.120, 457.125, 457.135 and 457.220.

28 (16) "Urban renewal project" or "project" means any work or undertaking carried out
29 under ORS 457.170 in an urban renewal area.

30 **SECTION 2. The amendments to ORS 457.010 by section 1 of this 2013 Act apply to the**
31 **division of taxes under ORS 457.420 to 457.460 for tax years beginning on or after July 1, 2014,**
32 **to pay indebtedness incurred on or after the effective date of this 2013 Act to carry out an**
33 **urban renewal plan.**

34 **SECTION 3. This 2013 Act takes effect on the 91st day after the date on which the 2013**
35 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

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