

**PROPOSED AMENDMENTS TO
HOUSE BILL 2632**

1 On page 1 of the printed bill, line 2, delete “creating new provisions;”.

2 In line 3, after “457.010” insert “, 457.440 and 457.445”.

3 Delete lines 5 through 31 and delete pages 2 and 3 and insert:

4 **“SECTION 1.** ORS 457.010 is amended to read:

5 “457.010. As used in this chapter, unless the context requires otherwise:

6 “(1) ‘Blighted areas’ means areas that, by reason of deterioration, faulty
7 planning, inadequate or improper facilities, deleterious land use or the ex-
8 istence of unsafe structures, or any combination of these factors, are detri-
9 mental to the safety, health or welfare of the community. A blighted area is
10 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
12 for living, commercial, industrial or other purposes, or any combination of
13 those uses, that are unfit or unsafe to occupy for those purposes because of
14 any one or a combination of the following conditions:

15 “(A) Defective design and quality of physical construction;

16 “(B) Faulty interior arrangement and exterior spacing;

17 “(C) Overcrowding and a high density of population;

18 “(D) Inadequate provision for ventilation, light, sanitation, open spaces
19 and recreation facilities; or

20 “(E) Obsolescence, deterioration, dilapidation, mixed character or shifting
21 of uses;

22 “(b) An economic dislocation, deterioration or disuse of property resulting

1 from faulty planning;

2 “(c) The division or subdivision and sale of property or lots of irregular
3 form and shape and inadequate size or dimensions for property usefulness
4 and development;

5 “(d) The laying out of property or lots in disregard of contours, drainage
6 and other physical characteristics of the terrain and surrounding conditions;

7 “(e) The existence of inadequate streets and other rights of way, open
8 spaces and utilities;

9 “(f) The existence of property or lots or other areas that are subject to
10 inundation by water;

11 “(g) A prevalence of depreciated values, impaired investments and social
12 and economic maladjustments to such an extent that the capacity to pay
13 taxes is reduced and tax receipts are inadequate for the cost of public ser-
14 vices rendered;

15 “(h) A growing or total lack of proper utilization of areas, resulting in a
16 stagnant and unproductive condition of land potentially useful and valuable
17 for contributing to the public health, safety and welfare; or

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

21 “(2) ‘Certified statement’ means the statement prepared and filed pursuant
22 to ORS 457.430 or an amendment to the certified statement prepared and filed
23 pursuant to ORS 457.430.

24 “(3) ‘City’ means any incorporated city.

25 “[4] ‘Consolidated billing tax rate’ means:]

26 “[a] *If the urban renewal plan is an existing urban renewal plan (other*
27 *than an existing urban renewal plan designated as an Option Three plan un-*
28 *der ORS 457.435 (2)(c)), an urban renewal plan that was an existing urban*
29 *renewal plan on October 6, 2001, (other than an existing urban renewal plan*
30 *designated as an Option Three plan under ORS 457.435 (2)(c)) and that was*

1 *substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after*
2 *October 6, 2001, or an urban renewal plan adopted on or after October 6, 2001,*
3 *the total of all district tax rates used to extend taxes after any adjustment to*
4 *reflect tax offsets under ORS 310.105, but does not include any rate derived*
5 *from:]*

6 *“[(A) Any urban renewal special levy under ORS 457.435.]*

7 *“[(B) A local option tax, as defined in ORS 280.040, that is approved by*
8 *taxing district electors after October 6, 2001.]*

9 *“[(C) A tax pledged to repay exempt bonded indebtedness (other than ex-*
10 *empt bonded indebtedness used to fund local government pension and disabil-*
11 *ity plan obligations that, until funded by the exempt bonded indebtedness, were*
12 *described in section 11 (5), Article XI of the Oregon Constitution), as defined*
13 *in ORS 310.140, that is approved by taxing district electors after October 6,*
14 *2001.]*

15 *“[(D) The increase in the rate of ad valorem property tax allowable under*
16 *section 11 (5)(d), Article XI of the Oregon Constitution, for a school district*
17 *with a statutory rate limit on July 1, 2003, that is greater than \$4.50 per \$1,000*
18 *of assessed value, to the extent that the increase is excluded from local reve-*
19 *nues, as that term is used in ORS chapter 327, and provided that the school*
20 *district notifies the county assessor of the rate to be excluded for the current*
21 *fiscal year not later than July 15.]*

22 *“[(b) In the case of all other urban renewal plans, the total of all district*
23 *ad valorem property tax rates used to extend taxes after any adjustments to*
24 *reflect tax offsets under ORS 310.105, except that ‘consolidated billing tax*
25 *rate’ does not include any urban renewal special levy rate under ORS*
26 *457.435.]*

27 *“[(5)(a)] (4)(a) ‘Existing urban renewal plan’ means an urban renewal plan*
28 *that provides for a division of ad valorem property taxes as described under*
29 *ORS 457.420 to 457.460 adopted by ordinance before December 6, 1996, that:*

30 *“(A) Except for an amendment made on account of ORS 457.190 (3) and*

1 subject to paragraph (b) of this subsection, is not changed by substantial
2 amendment, as described in ORS 457.085 (2)(i)(A) or (B), on or after December
3 6, 1996; and

4 “(B) For tax years beginning on or after July 1, 1998, includes the limit
5 on indebtedness as described in ORS 457.190 (3).

6 “(b) If, on or after July 1, 1998, the maximum limit on indebtedness
7 (adopted by ordinance before July 1, 1998, pursuant to ORS 457.190) of an
8 existing urban renewal plan is changed by substantial amendment, then
9 ‘indebtedness issued or incurred to carry out the existing urban renewal
10 plan’ for purposes of ORS 457.435 includes only the indebtedness within the
11 indebtedness limit adopted by ordinance under ORS 457.190 (3)(c) before July
12 1, 1998.

13 “[6] (5) ‘Fiscal year’ means the fiscal year commencing on July 1 and
14 closing on June 30.

15 “[7] (6) ‘Governing body of a municipality’ means, in the case of a city,
16 the common council or other legislative body thereof, and, in the case of a
17 county, the board of county commissioners or other legislative body thereof.

18 “[8] (7) ‘Housing authority’ or ‘authority’ means any housing authority
19 established pursuant to the Housing Authorities Law.

20 “[9] (8) ‘Increment’ means that part of the assessed value of a taxing
21 district attributable to any increase in the assessed value of the property
22 located in an urban renewal area, or portion thereof, over the assessed value
23 specified in the certified statement.

24 “[10] (9) ‘Maximum indebtedness’ means the amount of the principal of
25 indebtedness included in a plan pursuant to ORS 457.190 and does not in-
26 clude indebtedness incurred to refund or refinance existing indebtedness.

27 “[11] (10) ‘Municipality’ means any county or any city in this state. ‘The
28 municipality’ means the municipality for which a particular urban renewal
29 agency is created.

30 “[12] (11) ‘Taxing body’ or ‘taxing district’ means the state, city, county

1 or any other taxing unit which has the power to levy a tax.

2 “[~~(13)~~] **(12)** ‘Urban renewal agency’ or ‘agency’ means an urban renewal
3 agency created under ORS 457.035 and 457.045.

4 “[~~(14)~~] **(13)** ‘Urban renewal area’ means a blighted area included in an
5 urban renewal plan or an area included in an urban renewal plan under ORS
6 457.160.

7 “[~~(15)~~] *‘Urban renewal project’ or ‘project’ means any work or undertaking*
8 *carried out under ORS 457.170 in an urban renewal area.*]

9 “[~~(16)~~] **(14)** ‘Urban renewal plan’ or ‘plan’ means a plan, as it exists or is
10 changed or modified from time to time for one or more urban renewal areas,
11 as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135
12 and 457.220.

13 **“(15) ‘Urban renewal project’ or ‘project’ means any work or**
14 **undertaking carried out under ORS 457.170 in an urban renewal area.**

15 **“SECTION 2. ORS 457.445 is amended to read:**

16 **“457.445. (1)(a) The consolidated billing tax rate of the following ur-**
17 **ban renewal plans shall be determined under paragraph (b) of this**
18 **subsection:**

19 **“(A) An existing urban renewal plan (other than an existing urban**
20 **renewal plan designated as an Option Three plan under ORS 457.435**
21 **(2)(c));**

22 **“(B) An urban renewal plan that was an existing urban renewal**
23 **plan on October 6, 2001, (other than an existing urban renewal plan**
24 **designated as an Option Three plan under ORS 457.435 (2)(c)) and that**
25 **was substantially amended as described in ORS 457.085 (2)(i)(A) or (B)**
26 **on or after October 6, 2001; and**

27 **“(C) An urban renewal plan adopted on or after October 6, 2001.**

28 **“(b)(A) The consolidated billing tax rate of an urban renewal plan**
29 **described in paragraph (a) of this subsection equals the total of all**
30 **district tax rates used to extend taxes after any adjustment to reflect**

1 tax offsets under ORS 310.105.

2 “(B) Notwithstanding subparagraph (A) of this paragraph, the con-
3 solidated billing tax rate of an urban renewal plan described in para-
4 graph (a) of this subsection excludes any rate derived from:

5 “(i) An urban renewal special levy under ORS 457.435.

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

8 “(iii) A tax pledged to repay exempt bonded indebtedness (other
9 than exempt bonded indebtedness used to fund local government pen-
10 sion and disability plan obligations that, until funded by the exempt
11 bonded indebtedness, were described in Article XI, section 11 (5), of the
12 Oregon Constitution), as defined in ORS 310.140, that is approved by
13 taxing district electors after October 6, 2001.

14 “(iv) The increase in the rate of ad valorem property tax allowable
15 under Article XI, section 11 (5)(d), of the Oregon Constitution, for a
16 school district with a statutory rate limit on July 1, 2003, that is
17 greater than \$4.50 per \$1,000 of assessed value, to the extent that the
18 increase is excluded from local revenues, as that term is used in ORS
19 chapter 327, and provided that the school district notifies the county
20 assessor of the rate to be excluded for the current fiscal year not later
21 than July 15.

22 “(2)(a) The consolidated billing tax rate of all other urban renewal
23 plans equals the total of all district ad valorem property tax rates used
24 to extend taxes after any adjustments to reflect tax offsets under ORS
25 310.105.

26 “(b) Notwithstanding paragraph (a) of this subsection, the consol-
27 idated billing tax rate of urban renewal plans referred to in paragraph
28 (a) of this subsection excludes:

29 “(A) An urban renewal special levy rate under ORS 457.435.

30 “(B) A new local option tax.

1 **“(3)(a) Notwithstanding subsection (2)(b)(B) of this section, the**
2 **consolidated billing tax rate of urban renewal plans referred to in**
3 **subsection (2)(a) of this section includes a new local option tax im-**
4 **posed in a fiscal year for which the urban renewal agency files with**
5 **the county assessor an impairment certificate in the manner described**
6 **in paragraph (b) of this subsection not later than the May 1 imme-**
7 **diately preceding the beginning of the fiscal year.**

8 **“(b) An impairment certificate must:**

9 **“(A) Identify the urban renewal plan to which it relates;**

10 **“(B) Instruct the county assessor to include the new local option**
11 **tax in the consolidated billing tax rate for the urban renewal plan for**
12 **the ensuing fiscal year;**

13 **“(C) State that the urban renewal agency has reasonably deter-**
14 **mined that excluding the new local option tax from the consolidated**
15 **billing tax rate for the fiscal year under this subsection would impair**
16 **contracts that the agency has entered into with owners of indebt-**
17 **edness incurred before the effective date of this 2013 Act to carry out**
18 **an urban renewal plan described in subsection (2) of this section; and**

19 **“(D) Be signed by an authorized representative of the agency.**

20 **“(4)(a) Notwithstanding subsection (2) of this section, the governing**
21 **body of a municipality that adopted an urban renewal plan before December**
22 **5, 1996 (other than an existing urban renewal plan designated as an Option**
23 **Three plan under ORS 457.435 (2)(c)), that would otherwise be required to**
24 **use a consolidated billing tax rate [as defined in ORS 457.010 (4)(b)] deter-**
25 **mined under subsection (2) of this section may, by resolution or ordi-**
26 **nance, irrevocably elect to have amounts collected by dividing the taxes for**
27 **the urban renewal plan pursuant to ORS 457.440 be determined [instead by**
28 **using the consolidated billing tax rate as defined in ORS 457.010 (4)(a)] under**
29 **subsection (1)(b) of this section.**

30 **“(b) [This] An election made pursuant to this subsection applies first**

1 to the assessment roll next following if the assessor has received notice of
2 the election from the urban renewal agency before January 1.

3 “(5) As used in this section, ‘new local option tax’ means a local
4 option tax, as defined in ORS 280.040, that is approved by taxing dis-
5 trict electors after January 1, 2013.

6 “**SECTION 3.** ORS 457.440 is amended to read:

7 “457.440. During the period specified under ORS 457.450:

8 “(1) The county assessor shall determine the amount of funds to be raised
9 each year for urban renewal within the county levied by taxing districts in
10 accordance with [*section 1c,*] Article IX, **section 1c**, of the Oregon Consti-
11 tution, and ORS 457.420 to 457.460.

12 “(2) Not later than July 15 of each tax year, each urban renewal agency
13 shall determine and file with the county assessor a notice stating the amount
14 of funds to be raised for each urban renewal area as follows:

15 “(a) If the municipality that activated the urban renewal agency has
16 chosen Option One as provided in ORS 457.435 (2)(a), the notice shall state
17 that the maximum amount of funds that may be raised by dividing the taxes
18 under [*section 1c,*] Article IX, **section 1c**, of the Oregon Constitution, shall
19 be raised for the agency.

20 “(b) If the municipality that activated the urban renewal agency has
21 chosen Option Two as provided in ORS 457.435 (2)(b), the notice shall state
22 the amount of funds to be raised by the special levy.

23 “(c) If the municipality that activated the urban renewal agency has
24 chosen Option Three as provided in ORS 457.435 (2)(c), the notice shall state
25 the amount of funds to be raised by special levy in addition to the amount
26 to be raised by dividing the taxes as stated in the ordinance adopted under
27 ORS 457.435 (1).

28 “(d) For plans that are initially approved or substantially amended to
29 increase maximum indebtedness on or after January 1, 2010, the notice must
30 comply with ORS 457.470.

1 “(e) If the agency limits the amount that may be raised by the division
2 of taxes, as provided in ORS 457.455 (1), the notice shall comply with ORS
3 457.455 (1).

4 “(f) If the plan is not described in paragraph (a), (b), (c), (d) or (e) of this
5 subsection, the notice shall state that the maximum amount of funds that
6 may be raised by dividing the taxes under [*section 1c,*] Article IX, **section**
7 **1c**, of the Oregon Constitution, shall be raised for the agency.

8 “(3) If a municipality has chosen Option Three pursuant to ORS 457.435,
9 the maximum amount of funds that may be raised for an urban renewal
10 agency by dividing the taxes as provided in [*section 1c,*] Article IX, **section**
11 **1c**, of the Oregon Constitution, may be limited by the municipality in which
12 the urban renewal agency is located. The decision of the municipality to
13 limit the amount of funds to be included in the notice filed under subsection
14 (2) of this section shall be reflected in the certified statement filed by the
15 urban renewal agency with the county assessor.

16 “(4) Not later than September 25 of each tax year, the assessor of any
17 county in which a joint district is located shall provide, to the assessor of
18 each other county in which the joint district is located, the assessed values
19 of the property in the joint district that is located within the county, in-
20 cluding the certified statement value and the increment for each code area
21 containing any urban renewal area located within the joint district, and a
22 copy of the notice filed by the urban renewal agency for the area located
23 within the joint district under subsection (2) of this section.

24 “(5) The maximum amount of funds that may be raised for an urban re-
25 newal plan by dividing the taxes as provided in [*section 1c,*] Article IX,
26 **section 1c**, of the Oregon Constitution, shall be computed by the county
27 assessor as follows:

28 “(a) The county assessor shall compute, **in the manner required under**
29 **ORS 457.445**, the total consolidated billing tax rate for each code area in
30 which an urban renewal area of the plan is located.

1 “(b) The assessor shall determine the amount of taxes that would be
2 produced by extending the tax rate computed under paragraph (a) of this
3 subsection against the increment of each code area.

4 “(c) The total amount determined for all code areas containing urban re-
5 newal areas included within the urban renewal plan is the maximum amount
6 of funds to be raised for the urban renewal plan by dividing the taxes.

7 “(6)(a) The county assessor shall certify to the tax collector the amount
8 of funds to be raised for an urban renewal agency as determined under sub-
9 section (2) of this section. The tax collector shall include the amount so
10 certified in the percentage schedule of the ratio of taxes on property pre-
11 pared under ORS 311.390 and filed with the county treasurer. Notwithstand-
12 ing ORS 311.395 (6), the county treasurer shall credit the amount to the
13 urban renewal agency and shall distribute its percentage amount to the ur-
14 ban renewal agency as determined by the schedule at the times other dis-
15 tributions are made under ORS 311.395 (7).

16 “(b) The county assessor shall notify the urban renewal agency of the
17 amounts received under subsection (5) of this section or amounts received
18 pursuant to the notice provided in subsection (2) of this section for each
19 urban renewal plan area. Any amounts received by the urban renewal
20 agency under paragraph (a) of this subsection shall be attributed to the ur-
21 ban renewal plan in which the urban renewal area is included, shall be paid
22 into a special fund of the urban renewal agency for the urban renewal plan
23 and shall be used to pay the principal and interest on any indebtedness is-
24 sued or incurred by the urban renewal agency to finance or refinance the
25 urban renewal plan.

26 “(7) Unless and until the total assessed value of the taxable property in
27 an urban renewal area exceeds the total assessed value specified in the cer-
28 tified statement, all of the ad valorem taxes levied and collected upon the
29 taxable property in the urban renewal area shall be paid into the funds of
30 the respective taxing districts.

1 “(8) The agency may incur indebtedness, including obtaining loans and
2 advances in carrying out the urban renewal plan, and the portion of taxes
3 received under this section may be irrevocably pledged for the payment of
4 principal of and interest on the indebtedness.

5 “(9) The Department of Revenue shall by rule establish procedures for
6 giving notice of amounts to be raised for urban renewal agencies and for
7 determination of amounts to be raised and distributed to urban renewal
8 agencies.

9 “(10) The notice required under this section shall serve as the notice re-
10 quired under ORS 310.060 for the special levy described under ORS 457.435.

11 “(11) Notwithstanding any other provision of this chapter, a city with a
12 population of more than 500,000 on January 1, 2010, may, in lieu of its urban
13 renewal agency, take any actions that an urban renewal agency is authorized
14 to take under this section and any other actions that are required to certify,
15 collect, receive, hold and apply tax revenues raised for the urban renewal
16 agency under [*section 1c,*] Article IX, **section 1c**, of the Oregon Constitution,
17 and taxes authorized for the urban renewal agency by [*section 11 (16),*] Arti-
18 cle XI, **section 11 (16)**, of the Oregon Constitution.

19 “**SECTION 4. This 2013 Act takes effect on the 91st day after the**
20 **date on which the 2013 regular session of the Seventy-seventh Legis-**
21 **lative Assembly adjourns sine die.”.**

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