

**PROPOSED AMENDMENTS TO
HOUSE BILL 2349**

1 On page 1 of the printed bill, line 2, after the first semicolon insert
2 “creating new provisions;” and after “307.651” insert “, 307.654, 307.657,
3 307.671”.

4 Delete lines 5 through 31 and delete page 2 and insert:

5 **“SECTION 1.** ORS 307.651 is amended to read:

6 “307.651. As used in ORS 307.651 to 307.687, unless the context requires
7 otherwise:

8 “[*(1) ‘Distressed area’ means a primarily residential area of a city desig-*
9 *nated by a city under ORS 307.657 which, by reason of deterioration, inade-*
10 *quate or improper facilities, the existence of unsafe or abandoned structures,*
11 *including but not limited to a significant number of vacant or abandoned*
12 *single or multifamily residential units, or any combination of these or similar*
13 *factors, is detrimental to the safety, health and welfare of the community.]*

14 “[*(2)*] **(1)** ‘Governing body’ means the city legislative body having juris-
15 diction over the property for which an exemption may be applied for under
16 ORS 307.651 to 307.687.

17 “[*(3)*] **(2)** ‘Qualified dwelling unit’ means a dwelling unit that, upon com-
18 pletion, has a market value (land and improvements) of no more than 120
19 percent, or a lesser percentage as adopted by the governing body by resol-
20 ution, of the median sales price of dwelling units located within the city.

21 “[*(4)*] **(3)** ‘Single-unit housing’ means a newly constructed structure hav-
22 ing one or more dwelling units that:

1 “(a) Is, or will be, at the time that construction is completed, in con-
2 formance with all local plans and planning regulations, including special or
3 district-wide plans developed and adopted pursuant to ORS chapters 195, 196,
4 197 and 227.

5 “(b) Is constructed on or after January 1, 1990, and is completed within
6 two years after application for exemption is approved under ORS 307.674 or
7 before [*July 1, 2015*] **January 1, 2025**, whichever is earlier.

8 “(c) Upon completion, is designed for each dwelling unit within the
9 structure to be purchased by and lived in by one person or one family.

10 “(d) Upon completion, has one or more qualified dwelling units within the
11 single-unit housing.

12 “(e) Is not a floating home, as defined in ORS 830.700, or a manufactured
13 structure, as defined in ORS 446.561, other than a manufactured home de-
14 scribed in ORS 197.307 (8)(a) to (f).

15 “[~~(5)~~] (4) ‘Structure’ does not include the land[, *nor*] **or** any site develop-
16 ment to the land, as [*both*] **those terms** are defined [*under*] **in** ORS 307.010.

17 **“SECTION 2.** ORS 307.654 is amended to read:

18 “307.654. (1) The Legislative Assembly finds it to be in the public interest
19 to stimulate the construction of new single-unit housing in [*distressed*] urban
20 areas in this state in order to improve in those areas the general life quality,
21 to promote residential infill development on vacant or underutilized lots, to
22 encourage homeownership and to reverse declining property values.

23 “(2) The Legislative Assembly further finds and declares that the cities
24 of this state be able to establish and design programs to stimulate the con-
25 struction of new single-unit housing in [*distressed*] urban areas by means of
26 a limited property tax exemption, as provided under ORS 307.651 to 307.687.

27 **“SECTION 3.** ORS 307.657 is amended to read:

28 “307.657. (1)[*(a)*] ORS 307.651 to 307.687 apply to single-unit housing lo-
29 cated within the jurisdiction of a governing body that adopts, by resolution
30 or ordinance, ORS 307.651 to 307.687. Except as provided in subsection (2)

1 of this section, the exemption provided by ORS 307.651 to 307.687 applies only
2 to the tax levy of a governing body that adopts ORS 307.651 to 307.687.

3 *“(b) Each governing body that adopts, by resolution or ordinance, ORS*
4 *307.651 to 307.687 shall adopt rules specifying the process for determining the*
5 *boundaries of a distressed area and for distressed area boundary changes. The*
6 *cumulative land area within the boundaries of distressed areas within a city,*
7 *determined for purposes of ORS 307.651 to 307.687, may not exceed 20 percent*
8 *of the total land area of the city.]*

9 “(2) The tax exemption provided under ORS 307.651 to 307.687 applies to
10 the tax levy of all taxing units when upon request of the city that has
11 adopted ORS 307.651 to 307.687, the rates of taxation of taxing units whose
12 governing bodies agree by resolution to the policy of providing tax ex-
13 emptions for single-unit housing as described in ORS 307.651 to 307.687, when
14 combined with the rate of taxation of the city, equal 51 percent or more of
15 the total combined rate of taxation levied on the property which is tax ex-
16 empt under ORS 307.651 to 307.687.

17 *“(3) The city shall designate one or more distressed areas, located within*
18 *the territorial boundaries of the city, within which the city proposes to allow*
19 *exemptions under ORS 307.651 to 307.687.]*

20 “[4] **(3)** The city shall adopt standards and guidelines to be utilized in
21 considering applications and making the determinations required under ORS
22 307.651 to 307.687, including but not limited to:

23 *“(a) Standards and guidelines for designating a distressed area, including*
24 *but not limited to the probability of revitalization in the area without the as-*
25 *sistance of the property tax exemption provided under ORS 307.651 to*
26 *307.687.]*

27 “[b] **(a)** Design elements for construction of the single-unit housing
28 proposed to be exempt.

29 “[c] **(b)** Extensions of public benefits from the construction of the
30 single-unit housing beyond the period of exemption.

1 **SECTION 4.** ORS 307.671 is amended to read:

2 “307.671. The city may approve an application made under ORS 307.667 if
3 it finds that:

4 “*[(1) The proposed construction will be located in a distressed area.]*

5 “*[(2)] (1)* The proposed construction will constitute single-unit housing.

6 “*[(3)] (2)* The owner has agreed to include the design elements adopted
7 under ORS 307.657 *[(4)] (3)* in the construction.

8 “*[(4)] (3)* The construction will result in public benefits beyond the period
9 of exemption.

10 **SECTION 5.** ORS 307.681 is amended to read:

11 “307.681. (1) Except as provided in ORS 307.684, if, after an application
12 has been approved under ORS 307.674, the city finds that construction of
13 single-unit housing was not completed within two years after the date the
14 application was approved or on or before January 1, [2015] **2025**, whichever
15 is earlier, or that any provision of ORS 307.651 to 307.687 is not being com-
16 plied with, or any provision required by the city pursuant to ORS 307.651 to
17 307.687 is not being complied with, the city shall give notice to the owner,
18 mailed to the owner’s last-known address, of the proposed termination of the
19 exemption. The notice shall state the reasons for the proposed termination
20 and shall require the owner to appear at a specified time, not less than 20
21 days after mailing the notice, to show cause, if any, why the exemption
22 should not be terminated.

23 “(2) If the owner fails to show cause why the exemption should not be
24 terminated, the city shall adopt an ordinance or resolution stating its
25 findings and terminating the exemption. A copy of the ordinance or resolu-
26 tion shall be filed with the county assessor and a copy sent to the owner
27 at the owner’s last-known address within 10 days after its adoption.

28 **SECTION 6.** (1) **The amendments to ORS 307.651, 307.654, 307.657**
29 **and 307.671 by sections 1 to 4 of this 2013 Act, other than the amend-**
30 **ments to ORS 307.651 (3)(b) by section 1 of this 2013 Act extending the**

1 sunset date of the exemption program under ORS 307.651 to 307.687,
2 apply to applications for exemption approved on or after the effective
3 date of this 2013 Act.

4 “(2)(a) The amendments to ORS 307.651 (3)(b) and 307.681 by sections
5 1 and 5 of this 2013 Act extending the sunset date of the exemption
6 program under ORS 307.651 to 307.687 apply to applications approved
7 before, on or after the effective date of this 2013 Act.

8 “(b) The extension of the sunset date by the amendments to ORS
9 307.651 (3)(b) and 307.681 by sections 1 and 5 of this 2013 Act does not
10 increase the period for which an exemption has been or may be
11 granted under ORS 307.664.

12 SECTION 7. This 2013 Act takes effect on the 91st day after the
13 date on which the 2013 regular session of the Seventy-seventh Legis-
14 lative Assembly adjourns sine die.”.

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