

A-Engrossed House Bill 4017

Ordered by the House February 14
Including House Amendments dated February 14

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Rural Communities)

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.

[Provides requirements for ordinance or resolution prescribing procedure by which governing body of local government may form local improvement district and impose assessments on property in district specially benefited by local improvement. Provides alternative procedure for local government that includes estimated assessments in notice for formation hearing and holds final hearing after improvements completed. Provides procedure for objections in district where property assessable for more than 50 percent of estimated assessments of proposed local improvement district is owned by single person or multiple persons under common control of single person.]

[Applies notice requirements for hearing on estimated assessments of proposed local improvement district to proposed change to boundaries of local improvement district. Prohibits local government from changing boundaries if owner of property to be added objects, unless property is subject to prior written waiver of objection.]

For purposes of litigation regarding local improvement district assessment or reassessment lien levied within certain dates by city, *[voids lien]* if owner or predecessor in interest objected to formation of district and assessment or reassessment was more than double real market value of property and exceeded real market value by more than \$1.4 million, **requires court to revise assessment or reassessment, if higher, down to dollar value of special benefit to property attributable to local improvement on date assessment or reassessment was imposed.** *[Makes exception if city shows that special benefit attributable to local improvement was greater than amount of assessment or reassessment.]* **If assessment or reassessment was higher than dollar value of special benefit to property, provides that property may be redeemed within two years following issuance of court's judgment for amount of purchase price at sale on execution, including tax amounts paid on property by purchaser after sale but excluding penalty or interest, and that city may not be deemed prevailing party in the litigation for any purpose.**

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to local improvement districts; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) Subsection (2) of this section applies to a lien created by an assessment or subsequent reassessment of property by a city for a local improvement district if:

(a) The owner of the property or a predecessor in interest to the property objected to or remonstrated against the formation of the district;

(b) The assessment or reassessment was imposed after January 1, 2008, and before January 1, 2009; and

(c) The assessment or reassessment was in an amount:

(A) Greater than twice the real market value of the property as shown on the last certified property tax assessment roll on the date the assessment or reassessment was imposed; and

(B) That exceeded the real market value of the property determined under subparagraph

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 (A) of this paragraph by more than \$1.4 million.

2 (2) If, in any current or future litigation regarding a lien described in subsection (1) of
3 this section, the court finds that the assessment or reassessment exceeded the dollar value
4 of the special benefit to the property attributable to the local improvement on the date the
5 assessment or reassessment was imposed:

6 (a) The court shall issue a judgment revising the assessment or reassessment down to
7 the dollar value of the special benefit to the property attributable to the local improvement
8 on the date the assessment or reassessment was imposed.

9 (b) Notwithstanding any other provision of law, redemption of the property may be made
10 by any person entitled to redeem the property within two years following the issuance of the
11 court's judgment under paragraph (a) of this subsection by paying to the treasurer of the
12 city the purchase price of the property at the sale on execution and the amount of any taxes,
13 assessments or liens upon the property that are paid after the sale on execution by the
14 purchaser at the sale. The payment in redemption of the property under this paragraph may
15 not include any amounts for penalty or interest.

16 (c) The city may not be deemed the prevailing party in the litigation for any purpose.

17 SECTION 2. Section 1 of this 2014 Act is repealed on January 2, 2025.

18 SECTION 3. This 2014 Act being necessary for the immediate preservation of the public
19 peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect
20 on its passage.

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