

# House Bill 4017

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 **as introduced**.

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. Makes exception if city shows that special benefit attributable to local improvement was greater than amount of assessment or reassessment.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to local improvement districts; creating new provisions; amending ORS 223.389 and 310.140;  
3 and declaring an emergency.

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

5 **SECTION 1.** ORS 223.389 is amended to read:

6 223.389. (1)(a) The governing body of a local government may prescribe by ordinance or resolu-  
7 tion the procedure to be followed in making estimated assessments and final assessments for ben-  
8 efits from a local improvement upon the [*lots that have been*] **property specially** benefited by all or  
9 part of the local improvement, to the extent that the charter of the local government does not pre-  
10 scribe the method of procedure.

11 **(b)** [*In addition, in any case where*] **If** the charter of a local government specifies a method of  
12 procedure that does not comply or is not consistent with the requirements of the Oregon Constitu-  
13 tion, the governing body of the local government may prescribe by ordinance or resolution [*the*] **a**  
14 procedure that [*shall*] **does** comply and [*be*] **is** consistent with the requirements of the Oregon Con-  
15 stitution, and the provisions of the ordinance or resolution shall apply in lieu of the charter pro-  
16 visions.

17 (2)(a) The ordinance or resolution prescribing the procedure [*shall provide for adoption or*  
18 *enactment of an ordinance or resolution designating the local improvement as to which an assessment*  
19 *is contemplated, describing the boundaries of the district to be assessed. Provision shall be made for*  
20 *at least 10 days' notice to owners of property within the proposed district in which the local improve-*  
21 *ment is contemplated. The notice may be made by posting, by newspaper publication or by mail, or by*

**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 *any combination of such methods. The notice shall specify the time and place where the governing body*  
 2 *will hear and consider objections or remonstrances to the proposed local improvement by any parties*  
 3 *aggrieved thereby.] described in subsection (1) of this section must require:*

4 (A) That the local improvement district and assessments for special benefits from the  
 5 local improvement be adopted or enacted by ordinance or resolution of the governing body;

6 (B) That the ordinance or resolution describe the boundaries of the district to be as-  
 7 sessed;

8 (C) A public hearing at which the governing body will hear and consider objections to the  
 9 proposed local improvement district by any person aggrieved by the formation of the district;  
 10 and

11 (D) That the local government provide notice in the manner described in paragraph (b)  
 12 of this subsection to owners of property within the proposed local improvement district at  
 13 least 14 calendar days before the public hearing described in subparagraph (C) of this para-  
 14 graph.

15 (b)(A) The notice required under paragraph (a)(D) of this subsection must:

16 (i) Be made by posting, newspaper publication or first class mail; and

17 (ii) Specify the time and place of the public hearing.

18 (B) The local government shall keep a record of the notice and of the means by which  
 19 the notice was made.

20 [(b)] (3)(a) If, after the public hearing required under subsection (2)(a)(C) of this section,  
 21 the governing body determines that the local improvement shall be made, when the estimated cost  
 22 [thereof] of the local improvement is ascertained on the basis of the contract award or the de-  
 23 partmental cost [of] to the local government, the governing body shall determine whether the prop-  
 24 erty benefited shall bear all or a portion of the cost.

25 (b) Based on the determination of the governing body pursuant to paragraph (a) of this  
 26 subsection, the recorder or other person designated by the governing body shall prepare [the] an  
 27 estimated assessment [to the respective lots] of each property within the [assessment] local im-  
 28 provement district and file [it] the estimated assessment in the appropriate office of the local  
 29 government.

30 (4)(a) Subsections (2)(b), (3), (5)(a) and (7)(a) of this section do not apply to the governing  
 31 body of a local government that:

32 (A) Holds a public hearing on the formation of a local improvement district as required  
 33 under subsection (2)(a)(C) of this section;

34 (B) Provides notice at least 14 calendar days before the public hearing described in sub-  
 35 paragraph (A) of this paragraph by mail or personal delivery to the owner of each property  
 36 or to the owner's agent as shown on the last certified assessment roll of the county and in-  
 37 cludes in the notice:

38 (i) Estimated assessments for special benefits from the local improvement determined  
 39 by a methodology selected at the discretion of the local government; and

40 (ii) A general summary that meets the requirements of subsection (5)(b) of this section;  
 41 and

42 (C) Provides the right to object to the formation of the local improvement district and  
 43 to the estimated assessments in a manner consistent with subsection (6) of this section.

44 (b) Notwithstanding ORS 223.393, the estimated assessments of a governing body that  
 45 forms a local improvement district pursuant to this section may be noted as pending liens

1 in the city lien docket or the land records of the county.

2 (c)(A) The governing body of a local government that forms a local improvement district  
 3 pursuant to this section shall hold a public hearing after completion of the local improve-  
 4 ment not less than 21 calendar days after providing notice of the hearing by mail or personal  
 5 delivery to the owner of each property subject to assessment for the local improvement or  
 6 to the owner’s agent as shown on the last certified assessment roll of the county.

7 (B) Not less than seven calendar days before the public hearing, owners of property  
 8 subject to assessment for the local improvement may object to the assessment in writing,  
 9 stating the reasons for the objection.

10 (C) The governing body shall consider all objections and determine and spread the final  
 11 assessments.

12 (5)(a) Notice of the estimated assessment prepared pursuant to subsection (3) of this section  
 13 shall be mailed or personally delivered to the owner of each [*lot proposed to be assessed.*] property  
 14 subject to the estimated assessment not less than 21 calendar days before the meeting of the  
 15 governing body at which the action described in subsection (7)(a) of this section is to be  
 16 taken.

17 (b) The notice required under paragraph (a) of this subsection shall state the amounts of the  
 18 estimated assessment [*proposed on that*] for the property and shall [*fix a date by which time ob-*  
 19 *jections shall be filed with the recorder.*] include a general summary stating at least all of the  
 20 following:

21 (A) The time, date and place of the meeting at which the action described in subsection  
 22 (7)(a) of this section is to be taken;

23 (B) A general description of the type and scope of local improvements to be made;

24 (C) A map or description of any area proposed for inclusion in the local improvement  
 25 district for which a legal description is not required;

26 (D) A preliminary estimate of the total cost of the local improvement;

27 (E) The proposed methodology by which properties will be assessed;

28 (F) A statement that the proposal could be modified as a result of testimony given at the  
 29 meeting and that property owners wishing an opportunity to testify on proposed modifica-  
 30 tions should attend the meeting; and

31 (G) A statement explaining who has the right to object to the proposed formation of the  
 32 local improvement district and estimated assessment, the requirement that objections must  
 33 state the grounds for the objection, the deadline for filing objections and the office with  
 34 which objections must be filed, including contact information for the office.

35 (c) In addition to the notice required under paragraph (a) of this subsection, not less than  
 36 14 calendar days before the meeting at which the action described in subsection (7) of this  
 37 section is to be taken, a general notice stating, in letters not less than one inch in height,  
 38 that a local improvement district may be formed must be posted conspicuously within the  
 39 proposed district in at least two locations.

40 (6)(a) As used in this subsection, “majority property” means property assessable for more  
 41 than 50 percent of the estimated assessments of a proposed local improvement district, if the  
 42 property is a single parcel or is multiple parcels owned by a single owner or by multiple  
 43 owners under the common control of a single individual or entity.

44 (b) [*Any*] A written objection [*shall*] may be filed with the recorder by any person aggrieved  
 45 by the formation of the local improvement district. The objection must state the grounds for

1 the objection. *[The governing body shall consider the objections and grounds and may adopt, correct,*  
 2 *modify or revise the estimated assessments.]*

3 **(c)(A) If written objections are filed by owners of majority property located in the pro-**  
 4 **posed local improvement district, the governing body may not form the district.**

5 **(B) If the owners of majority property located in the district do not object to the for-**  
 6 **formation of the district but owners of property that would be assessed for more than 50 per-**  
 7 **cent of the estimated assessments other than the assessments on the majority property**  
 8 **object in writing to the formation of the district, the governing body may form the district**  
 9 **in the manner required under subsection (7)(a) of this section but the property of the ob-**  
 10 **jecting owners may not be assessed for the improvements.**

11 **(d) The objection of an owner of property with respect to which a written waiver of ob-**  
 12 **jection, by whatever name called, has been executed may not be included in determining the**  
 13 **percentages under this subsection.**

14 *[(c)]* **(7)(a) The governing body shall [determine the amount of estimated assessment] consider**  
 15 **objections filed under subsection (6) of this section and may:**

16 **(A) Adopt, correct, modify or revise, either or both of:**

17 **(i) The methodology by which the assessment was estimated; and**

18 **(ii) The estimated assessment to be charged against each [lot] property within the local**  
 19 **improvement district[,] according to the special [and peculiar] benefits accruing to the [lot] prop-**  
 20 **erty from the local improvement[, and shall by ordinance or resolution]; and**

21 **(B) Spread the estimated assessments by ordinance or resolution.**

22 **(b) Notwithstanding subsection (6) of this section, a local governing body may form a lo-**  
 23 **cal improvement district upon written finding of a health or public safety emergency in the**  
 24 **territory constituting the district.**

25 **(8) Any percentage requirements for objections imposed under subsection (6) of this**  
 26 **section and any notice periods imposed under this section do not preempt higher percentage**  
 27 **requirements or longer notice periods adopted by local governments.**

28 **SECTION 2. The amendments to ORS 223.389 by section 1 of this 2014 Act apply to local**  
 29 **improvement districts proposed on or after the effective date of this 2014 Act.**

30 **SECTION 3. ORS 310.140 is amended to read:**

31 310.140. (1) The Legislative Assembly finds that Article XI, section 11b, of the Oregon Consti-  
 32 tution, was drafted by citizens and placed before the voters of the State of Oregon by initiative pe-  
 33 tition. Article XI, section 11b, of the Oregon Constitution, uses terms that do not have established  
 34 legal meanings and require definition by the Legislative Assembly. Article XI, section 11b, of the  
 35 Oregon Constitution, was amended by Article XI, section 11 (11), of the Oregon Constitution. This  
 36 section is intended to interpret the terms of Article XI, section 11b, of the Oregon Constitution, as  
 37 originally adopted and as amended by Article XI, section 11 (11), of the Oregon Constitution, con-  
 38 sistent with the intent of the people in adopting these provisions, so that the provisions of Article  
 39 XI, section 11b, of the Oregon Constitution, may be given effect uniformly throughout the State of  
 40 Oregon, with minimal confusion and misunderstanding by citizens and affected units of government.  
 41 As used in the revenue and tax laws of this state, and for purposes of Article XI, section 11b, of the  
 42 Oregon Constitution:

43 **(a)(A) “Actual cost” means all direct or indirect costs incurred by a government unit in order**  
 44 **to deliver goods or services or to undertake a capital construction project. The “actual cost” of**  
 45 **providing goods or services to a property or property owner includes the average cost or an allo-**

1 cated portion of the total amount of the actual cost of making a good or service available to the  
2 property or property owner, whether stated as a minimum, fixed or variable amount.

3 (B) "Actual cost" includes, but is not limited to, the costs of labor, materials, supplies, equip-  
4 ment rental, property acquisition, permits, engineering, financing, reasonable program delinquencies,  
5 return on investment, required fees, insurance, administration, accounting, depreciation, amorti-  
6 zation, operation, maintenance, repair or replacement and debt service, including debt service pay-  
7 ments or payments into reserve accounts for debt service and payment of amounts necessary to meet  
8 debt service coverage requirements.

9 (b) "Assessment for local improvement" means any tax, fee, charge or assessment that does not  
10 exceed the actual cost incurred by a unit of government for design, construction and financing of  
11 a local improvement.

12 (c) "Bonded indebtedness" means any formally executed written agreement representing a  
13 promise by a unit of government to pay to another a specified sum of money, at a specified date or  
14 dates at least one year in the future.

15 (d)(A) "Capital construction" means, for bonded indebtedness issued prior to December 5, 1996,  
16 and for the proceeds of any bonded indebtedness approved by electors prior to December 5, 1996,  
17 that were spent or contractually obligated to be spent prior to June 20, 1997, the construction,  
18 modification, replacement, repair, remodeling or renovation of a structure, or addition to a struc-  
19 ture, that is expected to have a useful life of more than one year, and includes, but is not limited  
20 to:

21 (i) Acquisition of land, or a legal interest in land, in conjunction with the capital construction  
22 of a structure.

23 (ii) Acquisition, installation of machinery or equipment, furnishings or materials that will be-  
24 come an integral part of a structure.

25 (iii) Activities related to the capital construction, including planning, design, authorizing, issu-  
26 ing, carrying or repaying interim or permanent financing, research, land use and environmental im-  
27 pact studies, acquisition of permits or licenses or other services connected with the construction.

28 (iv) Acquisition of existing structures, or legal interests in structures, in conjunction with the  
29 capital construction.

30 (B) "Capital construction," for bonded indebtedness issued on or after December 5, 1996, except  
31 for the proceeds of any bonded indebtedness approved by electors prior to December 5, 1996, that  
32 were spent or contractually obligated to be spent before June 20, 1997, has the meaning given that  
33 term in subparagraph (A) of this paragraph except as provided in subparagraphs (C) and (D) of this  
34 paragraph.

35 (C) "Capital construction" includes public safety and law enforcement vehicles with a projected  
36 useful life of five years or more.

37 (D) "Capital construction" does not include:

38 (i) Maintenance and repairs, the need for which could be reasonably anticipated;

39 (ii) Supplies and equipment that are not intrinsic to the structure; or

40 (iii) Furnishings, unless the furnishings are acquired in connection with the acquisition, con-  
41 struction, remodeling or renovation of a structure, or the repair of a structure that is required be-  
42 cause of damage or destruction of the structure.

43 (e)(A) "Capital costs" means costs of land and of other assets having a useful life of more than  
44 one year, including costs associated with acquisition, construction, improvement, remodeling, fur-  
45 nishing, equipping, maintenance or repair.

1 (B) “Capital costs” does not include costs of routine maintenance or supplies.

2 (f)(A) “Capital improvements” means, for bonded indebtedness issued prior to December 5, 1996,  
 3 and for the proceeds of any bonded indebtedness approved by electors before December 5, 1996, that  
 4 were spent or contractually obligated to be spent before June 20, 1997, land, structures, facilities,  
 5 personal property that is functionally related and subordinate to real property, machinery, equip-  
 6 ment or furnishings having a useful life longer than one year.

7 (B) “Capital improvements,” for bonded indebtedness issued on or after December 5, 1996, except  
 8 for the proceeds of any bonded indebtedness approved by electors prior to December 5, 1996, that  
 9 were spent or contractually obligated to be spent before June 20, 1997, has the meaning given that  
 10 term in subparagraph (A) of this paragraph except as provided in subparagraphs (C) and (D) of this  
 11 paragraph.

12 (C) “Capital improvements” includes public safety and law enforcement vehicles with a projected  
 13 useful life of five years or more.

14 (D) “Capital improvements” does not include:

15 (i) Maintenance and repairs, the need for which could be reasonably anticipated;

16 (ii) Supplies and equipment that are not intrinsic to the structure; or

17 (iii) Furnishings, unless the furnishings are acquired in connection with the acquisition, con-  
 18 struction, remodeling or renovation of a structure, or the repair of a structure that is required be-  
 19 cause of damage or destruction of the structure.

20 (g) “Direct consequence of ownership” means that the obligation of the owner of property to pay  
 21 a tax arises solely because that person is the owner of the property, and the obligation to pay the  
 22 tax arises as an immediate and necessary result of that ownership without respect to any other in-  
 23 tervening transaction, condition or event.

24 (h)(A) “Exempt bonded indebtedness” means:

25 (i) Bonded indebtedness authorized by a specific provision of the Oregon Constitution;

26 (ii) Bonded indebtedness incurred or to be incurred for capital construction or capital improve-  
 27 ments that was issued as a general obligation of the issuing governmental unit on or before No-  
 28 vember 6, 1990;

29 (iii) Bonded indebtedness incurred or to be incurred for capital construction or capital im-  
 30 provements that was issued as a general obligation of the issuing governmental unit after November  
 31 6, 1990, with the approval of the electors of the issuing governmental unit prior to December 5, 1996;

32 (iv) Bonded indebtedness incurred or to be incurred for capital construction or capital im-  
 33 provements if the issuance of the bonds is approved by voters on or after December 5, 1996, in an  
 34 election that is in compliance with the voter participation requirements of Article XI, section 11 (8),  
 35 of the Oregon Constitution, or if the issuance of the bonds is approved by voters on or after De-  
 36 cember 4, 2008, in an election that is in compliance with the voter participation requirements of  
 37 Article XI, section 11 (8), of the Oregon Constitution, as limited by Article XI, section 11k, of the  
 38 Oregon Constitution; or

39 (v) Bonded indebtedness incurred or to be incurred for capital costs on or after January 1, 2011,  
 40 if the issuance of the bonds is approved by voters in an election that is in compliance with the voter  
 41 participation requirements of Article XI, section 11 (8), of the Oregon Constitution, as limited by  
 42 Article XI, section 11k, of the Oregon Constitution.

43 (B) “Exempt bonded indebtedness” includes bonded indebtedness issued to refund or refinance  
 44 any bonded indebtedness described in subparagraph (A) of this paragraph.

45 (i) “Incurred charge” means a charge imposed by a unit of government on property or upon a

1 property owner that does not exceed the actual cost of providing goods or services and that can be  
2 controlled or avoided by the property owner because:

3 (A) The charge is based on the quantity of the goods or services used, and the owner has direct  
4 control over the quantity;

5 (B) The goods or services are provided only on the specific request of the property owner; or

6 (C) The goods or services are provided by the government unit only after the individual property  
7 owner has failed to meet routine obligations of ownership of the affected property, and such action  
8 is deemed necessary by an appropriate government unit to enforce regulations pertaining to health  
9 or safety.

10 (j) "Local improvement" means a capital construction project, or part thereof, undertaken by a  
11 local government, pursuant to ORS 223.387 to 223.399, or pursuant to a local ordinance or resolution  
12 prescribing the procedure to be followed in making local assessments for benefits from a local im-  
13 provement upon the lots that have been benefited by all or a part of the improvement:

14 (A) That provides a special benefit only to specific properties, **within the meaning of ORS**  
15 **223.389**, or rectifies a problem caused by specific properties;

16 (B) The costs of which are assessed against those properties in a single assessment upon the  
17 completion of the project; and

18 (C) For which the property owner may elect to make payment of the assessment plus appropriate  
19 interest over a period of at least 10 years.

20 (k)(A) "Maintenance and repairs, the need for which could be reasonably anticipated" means  
21 activities, the type of which may be deducted as an expense under the provisions of the federal  
22 Internal Revenue Code, as amended and in effect on January 3, 2013, that keep the property in or-  
23 dinarily efficient operating condition and that do not add materially to the value of the property nor  
24 appreciably prolong the life of the property.

25 (B) "Maintenance and repairs, the need for which could be reasonably anticipated" does not  
26 include:

27 (i) Maintenance and repair of property that is required by damage, destruction or defect in de-  
28 sign, or that was otherwise not reasonably expected at the time the property was constructed or  
29 acquired, or the addition of material that is in the nature of the replacement of property and that  
30 arrests the deterioration or appreciably prolongs the useful life of the property; and

31 (ii) Street and highway construction, overlay and reconstruction.

32 (L) "Projected useful life" means the useful life, as reasonably estimated by the unit of govern-  
33 ment undertaking the capital construction or capital improvement project, beginning with the date  
34 the property was acquired, constructed or reconstructed and based on the property's condition at  
35 the time the property was acquired, constructed or reconstructed.

36 (m) "Routine obligations of ownership" means a standard of operation, maintenance, use or care  
37 of property established by law, or if established by custom or common law, a standard that is rea-  
38 sonable for the type of property affected.

39 (n) "Single assessment" means the complete assessment process, including preassessment, as-  
40 sessment or reassessment, for any local improvement authorized by ORS 223.387 to 223.399, or a  
41 local ordinance or resolution that provides the procedure to be followed in making local assessments  
42 for benefits from a local improvement upon lots that have been benefited by all or part of the im-  
43 provement.

44 [(o) "Special benefit only to specific properties" shall have the same meaning as "special and pe-  
45 culiar benefit" as that term is used in ORS 223.389.]

1 [(p)] (o) “Specific request” means:

2 (A) An affirmative act by a property owner to seek or obtain delivery of goods or services;

3 (B) An affirmative act by a property owner, the legal consequence of which is to cause the de-  
4 livery of goods or services to the property owner; or

5 (C) Failure of an owner of property to change a request for goods or services made by a prior  
6 owner of the property.

7 [(q)] (p) “Structure” means any temporary or permanent building or improvement to real prop-  
8 erty of any kind that is constructed on or attached to real property, whether above, on or beneath  
9 the surface.

10 [(r)] (q) “Supplies and equipment intrinsic to a structure” means the supplies and equipment that  
11 are necessary to permit a structure to perform the functions for which the structure was con-  
12 structed, or that will, upon installation, constitute fixtures considered to be part of the real property  
13 that is comprised, in whole or part, of the structure and land supporting the structure.

14 [(s)] (r) “Tax on property” means any tax, fee, charge or assessment imposed by any government  
15 unit upon property or upon a property owner as a direct consequence of ownership of that property,  
16 but does not include incurred charges or assessments for local improvements. As used in this para-  
17 graph, “property” means real or tangible personal property, and intangible property that is part of  
18 a unit of real or tangible personal property to the extent that such intangible property is subject  
19 to a tax on property.

20 (2) For purposes of subsection (1)(i) of this section, an owner of property may control or avoid  
21 an incurred charge if the owner is capable of taking action to affect the amount of a charge that  
22 is or will be imposed or to avoid imposition of a charge even if the owner must incur expense in so  
23 doing.

24 (3) For purposes of subsection (1)(i)(A) of this section, an owner of property has direct control  
25 over the quantity of goods or services if the owner of property has the ability, whether or not that  
26 ability is exercised, to determine the quantity of goods or services provided or to be provided.

27 (4) For purposes of subsection (1)(j) of this section, the status of a capital construction project  
28 as a local improvement is not affected by the accrual of a general benefit to property other than the  
29 property receiving the special benefit.

30 **SECTION 4. Section 5 of this 2014 Act is added to and made a part of ORS 223.387 to**  
31 **223.399.**

32 **SECTION 5. (1) Notice of a proposed change to the boundaries of a local improvement**  
33 **district must be made in accordance with the provisions of ORS 223.389 (5).**

34 **(2)(a) The governing body of a local government may not change the boundaries of an**  
35 **existing local improvement district to add property to the district if an objection is submitted**  
36 **in writing by the owner of the property to be added.**

37 **(b) Notwithstanding paragraph (a) of this subsection, the property of the objecting owner**  
38 **may be added to the district if a written waiver of objection, by whatever name called, has**  
39 **been executed with respect to the property.**

40 **SECTION 6. Section 5 of this 2014 Act applies to all changes to local improvement district**  
41 **boundaries proposed on or after the effective date of this 2014 Act, including local improve-**  
42 **ment districts formed prior to the effective date of this 2014 Act.**

43 **SECTION 7. (1) A lien created by the assessment or subsequent reassessment of property**  
44 **by a city for a local improvement district shall be considered void in any current or future**  
45 **litigation regarding the lien if:**



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

3       (b) The assessment or reassessment was levied after January 1, 2008, and before January  
4 1, 2009; and

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

6       (A) Greater than twice the real market value of the property as shown on the last cer-  
7 tified property tax assessment roll on the date of the assessment; and

8       (B) Exceeded the real market value of the property determined under subparagraph (A)  
9 of this paragraph by more than \$1.4 million.

10       (2) Notwithstanding subsection (1) of this section, the lien described in subsection (1) of  
11 this section shall be considered valid in any current or future litigation regarding the lien if  
12 the city that imposed the assessment or reassessment shows, by clear and convincing evi-  
13 dence, that the dollar value of the special benefit to the property attributable to the local  
14 improvement was greater than the amount of the assessment or reassessment on the date  
15 the assessment or reassessment was imposed.

16       SECTION 8. Section 7 of this 2014 Act is repealed on January 2, 2025.

17       SECTION 9. This 2014 Act being necessary for the immediate preservation of the public  
18 peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect  
19 on its passage.

20