

A-Engrossed
House Bill 2126

Ordered by the House May 18
Including House Amendments dated May 18

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

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.

Defines "nonresidential use" for purposes of vertical housing development zone program to mean any use that is not exclusively residential use. **Allows all local taxing districts to elect not to participate in vertical housing development zone.** Extends sunset date for certification for program to January 1, 2026.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the vertical housing development zone program; creating new provisions; amending ORS
3 307.841 and 307.844 and section 13, chapter 119, Oregon Laws 2005; and prescribing an effective
4 date.

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

6 **SECTION 1.** ORS 307.841 is amended to read:

7 307.841. As used in ORS 307.841 to 307.867:

8 (1) "Construction" means the development of land and the construction of improvements to land,
9 and may be further defined by the Housing and Community Services Department by rule.

10 (2) "Equalized floor" means the quotient determined under ORS 307.857 (3)(b).

11 (3) "Light rail station area" has the meaning given that term in ORS 307.603.

12 (4) "Low income residential housing" means housing that is restricted to occupancy by persons
13 or families whose income is no greater than 80 percent of area median income, adjusted for family
14 size, as determined by the department.

15 **(5) "Nonresidential use" means any use that is not exclusively residential use.**

16 [(5)] **(6)** "Rehabilitation" means the substantial repair of improvements or land developments,
17 and may be further defined by the department by rule.

18 [(6)] **(7)** "Transit oriented area" has the meaning given that term in ORS 307.603.

19 [(7)] **(8)** "Vertical housing development project" or "project" means the construction or reha-
20 bilitation of a multiple-story building, or a group of buildings, including at least one multiple-story
21 building, so that a portion of the project is to be used for nonresidential uses and a portion of the
22 project is to be used for residential uses.

23 [(8)] **(9)** "Vertical housing development zone" or "zone" means an area that has been designated
24 a vertical housing development zone under ORS 307.847.

25 **SECTION 2.** ORS 307.844 is amended to read:

26 307.844. (1)(a) A city may apply to the Housing and Community Services Department for desig-

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 nation of an area within the city as a vertical housing development zone.

2 (b) A county may apply to the Housing and Community Services Department for designation of
3 an unincorporated area within the county as a vertical housing development zone.

4 (2) With the prior consent of the governing body of each city in which a proposed zone is to be
5 located, a county may apply to the department for designation of any area within each city that has
6 given consent for vertical housing development zone designation.

7 (3) A city and a county, or any combination of cities and counties, may apply to the department
8 for designation of an area situated within each applying jurisdiction as a vertical housing develop-
9 ment zone.

10 (4) A **local taxing** district [*listed in ORS 198.010 or 198.180*] may elect not to participate in a
11 vertical housing development zone. A **local taxing** district that elects not to participate may con-
12 tinue to impose taxes on property otherwise exempt from ad valorem property tax under ORS
13 307.864.

14 (5) An application for designation of a vertical housing development zone must be submitted to
15 the department. The application shall be in the form and contain the information required by the
16 department, including:

17 (a) A list of local taxing districts, other than the applicant, that have territory in the proposed
18 vertical housing development zone.

19 (b) A copy of a written notification that the applicant mailed to the **local taxing** districts listed
20 pursuant to paragraph (a) of this subsection that:

21 (A) Describes the proposed vertical housing development zone;

22 (B) Explains the exemption described in ORS 307.864 that would apply if the proposed zone is
23 designated;

24 (C) Explains the process by which a **local taxing** district [*listed in ORS 198.010 or 198.180*] may
25 elect not to participate in the vertical housing development zone; and

26 (D) Is in a form that is satisfactory to the department.

27 (c) A statement signed by the applicant attesting that the notification described in paragraph
28 (b) of this subsection was sent by regular mail to each **local taxing** district listed pursuant to par-
29 agraph (a) of this subsection.

30 (6) The application shall:

31 (a) Be filed on behalf of one or more local government units as described in subsections (1) to
32 (3) of this section by action of the governing body of each applicant;

33 (b) Contain a description of the area sought to be designated as a vertical housing development
34 zone, including proposed zone boundaries;

35 (c) Contain the reasons that all or a portion of a proposed zone constitutes a core area of an
36 urban center, a light rail system area or a transit oriented area; and

37 (d) Contain any other information required by the department.

38 (7) The applicant shall submit to the department, within 30 days following the date the applica-
39 tion is filed with the department, a list of the **local taxing** districts that elected not to participate
40 in the vertical housing development zone.

41 **SECTION 3. (1) The amendments to ORS 307.841 by section 1 of this 2015 Act apply to**
42 **property tax years beginning on or after July 1, 2015.**

43 **(2) The amendments to ORS 307.844 by section 2 of this 2015 Act apply to applications for**
44 **designation of a vertical housing development zone submitted on or after the effective date**
45 **of this 2015 Act.**

1 **SECTION 4.** Section 13, chapter 119, Oregon Laws 2005, is amended to read:

2 **Sec. 13.** The Housing and Community Services Department may not issue a certification under
3 ORS [285C.450 to 285C.480] **307.841 to 307.867** on or after January 1, [2016] **2026**.

4 **SECTION 5.** **This 2015 Act takes effect on the 91st day after the date on which the 2015**
5 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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