

Enrolled House Bill 2126

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

CHAPTER

AN ACT

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

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

SECTION 1. ORS 307.841 is amended to read:
307.841. As used in ORS 307.841 to 307.867:

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

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

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

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

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

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

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

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

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

SECTION 2. ORS 307.844 is amended to read:

307.844. (1)(a) A city may apply to the Housing and Community Services Department for designation of an area within the city as a vertical housing development zone.

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

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

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

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

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

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

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

(A) Describes the proposed vertical housing development zone;

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

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

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

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

(6) The application shall:

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

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

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

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

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

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

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

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

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

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

Passed by House May 20, 2015

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate June 10, 2015

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2015

Approved:

.....M,....., 2015

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2015

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Jeanne P. Atkins, Secretary of State