

Enrolled
Senate Bill 85

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CHAPTER

AN ACT

Relating to financing improvements for seismic rehabilitation; and declaring an emergency.

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

SECTION 1. (1) **As used in this section:**

(a) **“Local government” means cities and counties.**

(b) **“Qualifying real property” means multifamily residential dwellings or commercial or industrial buildings that the local government has determined can be benefited by seismic rehabilitation.**

(c) **“Seismic rehabilitation” means improvements to qualifying real property that are:**

(A) **Intended to reduce or prevent harm to persons and property due to the effects of seismic activity on the qualifying real property; and**

(B) **Authorized by a local government implementing a program established under this section.**

(2)(a) **A local government may establish a program to assist owners of record of qualifying real property in financing cost-effective seismic rehabilitation of the qualifying real property.**

(b) **A program established pursuant to this subsection may provide for the local government to:**

(A) **Make loans to owners financed with the net proceeds and interest earnings of revenue bonds authorized by subsection (8) of this section;**

(B) **Facilitate private financing by the owners; or**

(C) **Make loans under subparagraph (A) of this paragraph and facilitate private financing under subparagraph (B) of this paragraph.**

(3) **A local government that establishes a program under this section may:**

(a) **Impose requirements intended to ensure that the loan or financing is consistent with the purposes of the program; and**

(b) **Impose requirements and conditions on loans or financing agreements that are designed to ensure timely repayment.**

(4)(a) **If the owner of record of qualifying real property requests financing pursuant to a program established under this section, subject to subsection (5) of this section, the local government implementing the program may:**

(A) Enter into a loan agreement with the owner and any other person benefited by the loan; or

(B) Facilitate a financing agreement for the owner and any other person benefited by the financing agreement.

(b) A local government acting pursuant to paragraph (a) of this subsection may:

(A) If the local government makes a loan, charge the borrower an interest rate on the principal amount that is sufficient to pay the financing costs of the loan program, including loan delinquencies; and

(B) Charge periodic fees to pay for program costs.

(5) A local government may not enter into a loan agreement, or facilitate a financing agreement, under subsection (4) of this section unless the owner has:

(a) Provided written notice to all mortgagees of the qualifying real property that the owner intends to enter into a loan agreement or financing agreement under this section; and

(b) Received written consent from the mortgagees stating that the loan agreement or financing agreement entered into under this section does not constitute an event of default or give rise to any remedies under the terms of the mortgage loan agreements.

(6) The local government implementing a program established under this section may:

(a) Secure a loan or financing with a lien on the benefited qualifying real property in the manner and with the same priority as a lien for assessments for local improvements authorized by ORS 223.393.

(b) Assess the benefited qualifying real property for the amounts due under a loan agreement or financing agreement.

(c) Enforce a lien and collect an assessment authorized under this section as provided in ORS 223.505 to 223.650.

(d) Secure a loan or financing in any other manner that the local government determines is reasonable.

(7)(a) In lieu of enforcing liens and collecting assessments as provided in subsection (6) of this section, a local government may certify the assessment, in the manner provided in ORS 310.060, to the county assessor of each county in which benefited qualifying real property is located.

(b) If the assessments are certified as provided in this subsection, the county assessor shall:

(A) Enter the assessment upon the county assessment roll against the property described in the certificate, in the manner that other local government assessments are entered;

(B) Collect, account for and enforce the assessments in the manner that local government taxes are collected, accounted for and enforced; and

(C) Transfer, as provided by law, the assessments collected to the local government that imposed the assessment.

(8) A local government may issue revenue bonds pursuant to ORS 287A.150 to finance the costs of a program established under this section, including the costs of making loans for seismic rehabilitation.

SECTION 2. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

Passed by Senate March 16, 2015

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House April 23, 2015

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Tina Kotek, Speaker of House

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