

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2734**

1 On page 1 of the printed A-engrossed bill, delete lines 8 through 16 and  
2 insert:

3 **“SECTION 1. As used in sections 1 to 8 of this 2015 Act:**

4 **“(1) ‘Authority’ means any public land bank authority created pur-**  
5 **suant to sections 1 to 8 of this 2015 Act.**

6 **“(2) ‘Brownfield’ has the meaning given that term in ORS 285A.185.**

7 **“(3) ‘Local government’ means a local government as defined in**  
8 **ORS 174.116 or a intergovernmental entity created under an intergov-**  
9 **ernmental agreement between two units of local government under**  
10 **ORS 190.010.**

11 **“(4) ‘Remedial action,’ ‘remedial action costs’ and ‘removal’ have**  
12 **the meanings given those terms in ORS 465.200.”.**

13 On page 2, line 1, delete “governing body of a”.

14 In line 3, delete “or reutilizing” and insert “, reutilizing or restoring”.

15 Delete line 5 and insert “(2) If the local government, after public hearing  
16 according to the local government’s rules,”.

17 In line 7, delete “6” and insert “8” and delete “governing body” and insert  
18 “local government”.

19 In line 12, delete “nor” and insert “or”.

20 In line 13, after “their” insert “initial” and delete “shall” and insert  
21 “may”.

22 In line 15, delete “6” and insert “8”.

1 In line 19, after the period insert “Notwithstanding any law to the con-  
2 trary, the authority shall exist as a legal entity separate from the local  
3 government that created the authority.”.

4 In line 21, delete “6” and insert “8” and after the period delete the rest  
5 of the line and delete lines 22 through 45.

6 On page 3, delete lines 1 and 2 and insert:

7 **“SECTION 3. (1) An authority shall be managed and controlled by  
8 a board of directors. The initial board of directors shall be appointed  
9 by the local government that created the authority. Subsequent di-  
10 rectors shall be appointed as provided in this section and the rules  
11 adopted by the authority.**

12 **“(2) The regular term of a member of the board is four years. The  
13 board may establish special terms for positions that are shorter than  
14 four years for the purpose of staggering the terms of members of the  
15 board. Before the expiration of the term of a member, the board shall  
16 appoint a successor whose term begins on January 1 of the year next  
17 following. A member is eligible for reappointment. If there is a va-  
18 cancy for any cause, the board shall make an appointment to become  
19 immediately effective for the unexpired term.**

20 **“(3) The board of directors must include:**

21 **“(a) At least one director who is also a member of the governing  
22 body of the local government that created the authority;**

23 **“(b) At least one director who represents the largest municipal  
24 corporation within the geographic jurisdiction of the local government  
25 that is not a school district;**

26 **“(c) At least one director who represents the largest school district  
27 within the geographic jurisdiction of the local government; and**

28 **“(d) Subject to the maximum number of directors allowed by the  
29 ordinance or resolution establishing the authority, one or more direc-  
30 tors who are also members of civic organizations that serve the same**

1 geographic jurisdiction as the authority and that have a purpose or  
2 mission that aligns with that of the authority.

3 “(4) The board shall hold an annual meeting. The board shall select  
4 from among themselves at the annual meeting a chairperson, vice  
5 chairperson, secretary, treasurer and other officers as the board de-  
6 termines.

7 “(5) The board shall adopt and may amend rules for calling and  
8 conducting its meetings and carrying out its business and may adopt  
9 an official seal. All decisions of the board shall be by motion or re-  
10 solution and shall be recorded in the board’s minute book, which shall  
11 be a public record. A majority of the directors of the board constitutes  
12 a quorum for the transaction of business, and a majority is sufficient  
13 to pass a motion or resolution.

14 “(6) The board may employ employees and agents as the board  
15 deems appropriate and provide for their compensation. The employees  
16 and agents of the authority are not employees or agents of the local  
17 government that created the authority.

18 “(7) A director is not entitled to compensation for service on the  
19 board of an authority.”

20 In line 4, delete “or reutilizing” and insert “, reutilizing or restoring”.

21 On page 4, delete lines 1 through 3 and insert:

22 “**SECTION 5. (1) Except as provided in subsection (2) of this section,**  
23 **the debts, obligations and other liabilities of an authority are not a**  
24 **general or other obligation or liability of the local government that**  
25 **created the authority.**

26 “(2) A local government may incur debt, including the issuance of  
27 bonds under any bonding authority available to the local government,  
28 on behalf of an authority created by the local government and, by or-  
29 dinance or resolution, deem a debt incurred under this subsection to  
30 be a general obligation of the local government and a charge upon its

1 tax revenues.

2 **“SECTION 6. (1) Except as provided in subsection (2) of this section,**  
3 **an authority, all assets owned by the authority, the income from those**  
4 **assets, and all bonds issued by the authority, together with the cou-**  
5 **pons applicable to those bonds and the income from the bonds, shall**  
6 **be exempt from all taxation in the State of Oregon.**

7 **“(2) The real and personal property owned by the authority and**  
8 **leased to a third party shall be subject to property taxation if the**  
9 **property would be subject to taxation if owned by the lessee.”.**

10 Delete line 4 and insert:

11 **SECTION 7. (1) An authority shall keep”.**

12 In line 10, after “authority” delete the rest of the line.

13 In line 11, delete “Act”.

14 After line 13, insert:

15 **“SECTION 8. (1) Dissolution of an authority may be initiated:**

16 **“(a) By resolution of the board of directors of the authority, filed**  
17 **with the local government that created the authority, if the board**  
18 **determines that dissolution of the authority is in the best interest of**  
19 **the community served by the authority; or**

20 **“(b) By resolution of the local government that created the au-**  
21 **thority:**

22 **“(A) If the board of directors of the authority, at the time of the**  
23 **annual meeting of the board, has not appointed board members to fill**  
24 **vacancies on the board as required by section 3 of this 2015 Act; or**

25 **“(B) If the local government determines that dissolution of the au-**  
26 **thority is in the best interest of residents within the jurisdiction of the**  
27 **local government.**

28 **“(2) Within five days after a resolution of the board is filed or a**  
29 **resolution of the local government is adopted under this section, a**  
30 **copy shall be filed with the secretary of the authority, if any, or with**

1 any other officer of the authority who can with reasonable diligence  
2 be located.

3 “(3) If there are no members of the board of directors of the au-  
4 thority, the local government shall act as or appoint a board of trus-  
5 tees to act on behalf of the authority to develop and implement a plan  
6 for dissolution.

7 “(4) Within 60 days after initiation of the dissolution proceeding, a  
8 plan of dissolution shall be filed with the office of the clerk of the  
9 county in which the authority is located and shall be available for in-  
10 spection by any interested person.

11 “(5) Upon approval of dissolution by the governing body of the local  
12 government that created the authority, the authority shall be declared  
13 dissolved. If the local government has not appointed a board of trus-  
14 tees under subsection (3) of this section:

15 “(a) The board of directors shall constitute a board of trustees that  
16 shall pay the debts or procure releases of the debts and dispose of the  
17 property of the authority; or

18 “(b) The board of directors may designate the local government as  
19 the board of trustees for the purpose of winding up the affairs of the  
20 authority.

21 “(6) After the affairs of the authority have been fully settled, all  
22 books and records of the authority shall be deposited by the board of  
23 trustees in the office of the county clerk of the county in which the  
24 authority is located. At the same time, the board of trustees shall ex-  
25 ecute under oath, and file with the local government that created the  
26 authority, a statement that the authority has been dissolved and its  
27 affairs liquidated. From the date of the statement, the corporate ex-  
28 istence of the authority is terminated for all purposes.”.

29 In line 14, delete “7” and insert “9”.

30 On page 5, line 16, delete “acquired an ownership interest in” and insert

1 “becomes the owner or operator of”.

2 On page 6, line 15, delete “8” and insert “10”.

3 In line 35, delete “6” and insert “8”.

4 In line 41, delete “9” and insert “11”.

5 On page 7, line 18, delete “6” and insert “8”.

6 Delete lines 27 through 45 and delete pages 8 through 10.

7 On page 11, delete lines 1 through 27 and insert:

8 **“SECTION 12. (1)(a) The governing body of a local government may**  
9 **elect by ordinance or resolution to grant an abatement against the**  
10 **property taxes imposed on brownfields, as defined in ORS 285A.185,**  
11 **located in the jurisdiction of the local government.**

12 **“(b) The abatement shall be for eligible costs, as described in sec-**  
13 **tion 13 of this 2015 Act, incurred with respect to the brownfields. The**  
14 **ordinance or resolution shall specify the percentage, up to 100 percent,**  
15 **of eligible costs that may be used for purposes of the abatement in any**  
16 **year.**

17 **“(c) The ordinance or resolution shall allow the owner of a**  
18 **brownfield to file five applications for abatement under section 13 of**  
19 **this 2015 Act. The applications may be filed in nonconsecutive years.**

20 **“(2)(a) The local government shall specify eligibility requirements**  
21 **in the ordinance or resolution, including, but not limited to, a showing**  
22 **by the owner of the brownfield in an application for abatement filed**  
23 **under section 13 of this 2015 Act:**

24 **“(A) That the owner or authorized representative of the owner has**  
25 **obtained an environmental site assessment of the brownfield prepared**  
26 **by a geologist registered under ORS 672.505 to 672.705 or a professional**  
27 **engineer as defined in ORS 672.002.**

28 **“(B) If the environmental site assessment required under subpara-**  
29 **graph (A) of this paragraph concludes that a remedial action, as de-**  
30 **defined in ORS 465.200, is required in response to the release of a**

1 hazardous substance at the brownfield, that the remedial action shall  
2 be conducted pursuant to an agreement with, an order of or a program  
3 or process authorized by the Department of Environmental Quality.  
4 An agreement, order, program or process includes, but is not limited  
5 to, the Voluntary Cleanup Program, the Independent Cleanup Path-  
6 way, a consent or unilateral order or another process that the de-  
7 partment may establish by rule or policy, pursuant to which the owner  
8 or operator is required to perform the remedial action at the  
9 brownfield.

10 “(C) That the owner is in compliance with the agreement, order,  
11 program or process required under subparagraph (B) of this paragraph.

12 “(D) That the environmental site assessment report required under  
13 subparagraph (A) of this paragraph, and a report prepared by a  
14 geologist or professional engineer showing that any remedial action  
15 has complied with applicable state law administered by the depart-  
16 ment, have been submitted to the department.

17 “(b) The department shall maintain reports submitted under para-  
18 graph (a)(D) of this subsection as public records and make the reports  
19 available for inspection in the manner provided in ORS 192.410 to  
20 192.505.

21 “(3) The ordinance or resolution adopted under subsection (1) of this  
22 section may allow an additional abatement in an amount stated in the  
23 ordinance or resolution for one or more of the following purposes in  
24 connection with development of the brownfield:

25 “(a) Providing low income residential housing, as defined in ORS  
26 307.841.

27 “(b) Providing public park or open space land, as defined in ORS  
28 308A.300, pursuant to a legally binding agreement with a local gov-  
29 ernment that requires that at least 50 percent of the land provided as  
30 public park or open space land shall be permanently provided as public

1 park or open space land.

2 “(c) Adding improvements that generate renewable energy.

3 “(d) At least 50 percent of remedial actions being performed by mi-  
4 nority or women business enterprises or disadvantaged business en-  
5 terprises, as those terms are defined in ORS 200.100.

6 “(e) Creating permanent jobs that pay at least the county or state  
7 average in annual per employee compensation or making a substantial  
8 investment in a business on the brownfield.

9 “(f) Performing removal or remedial action at a brownfield on  
10 which hospital buildings or community health care facilities are to be  
11 constructed, in an area designated as having unmet health care needs  
12 in the most recent areas of unmet health care need in rural Oregon  
13 report issued by the Office of Rural Health.

14 “(4) The abatement granted under this section shall apply to the tax  
15 levy of all taxing districts in which a brownfield is located when, upon  
16 request of a local government that has elected to grant an abatement  
17 under this section, the rates of taxation of the taxing districts whose  
18 governing boards agree to grant the abatement under this section,  
19 when combined with the rate of taxation of the local government that  
20 elected to grant an abatement under this section, equal 75 percent or  
21 more of the total combined rate of taxation on the brownfield granted  
22 abatement.

23 “(5) The owner of a brownfield that has filed an application that  
24 meets the requirements of section 13 of this 2015 Act shall be granted  
25 an abatement for the brownfield in an amount determined under sec-  
26 tion 14 of this 2015 Act.

27 “SECTION 13. (1) The owner of a brownfield seeking an abatement  
28 under section 12 of this 2015 Act against the property taxes imposed  
29 on the brownfield for a property tax year must file an application on  
30 or before March 15 preceding the beginning of the property tax year



1 for which the abatement is claimed.

2 “(2) The application must be filed with the local government that  
3 elected to grant the abatement under section 12 of this 2015 Act and  
4 must include:

5 “(a) The address of the brownfield.

6 “(b) Evidence of the ownership of the brownfield by the person fil-  
7 ing the application.

8 “(c) An affidavit signed by the owner of the brownfield under pen-  
9 alty of perjury that the owner has not, by any acts or omissions,  
10 caused, contributed to or exacerbated the release of a hazardous sub-  
11 stance at the brownfield for which the eligible costs described in sub-  
12 section (3) of this section are incurred, unless the acts or omissions  
13 were in material compliance with applicable laws, standards, regu-  
14 lations, licenses or permits.

15 “(d) Documentation of eligible costs incurred with respect to the  
16 brownfield for the 12-month period ending on December 31 of the year  
17 preceding the date on which the application is filed.

18 “(e) Documentation supporting an amount of additional abatement  
19 allowed under section 12 (3) of this 2015 Act.

20 “(3) For purposes of this section:

21 “(a) Eligible costs may be:

22 “(A) Remedial action costs as defined in ORS 465.200, including  
23 costs incurred for environmental site assessment or investigation  
24 performed by a licensed professional without the oversight or approval  
25 of the Department of Environmental Quality.

26 “(B) The costs of demolishing site improvements as necessary for  
27 removal or remedial action, as those terms are defined in ORS 465.200.

28 “(C) The costs of abating the release of hazardous substances within  
29 existing site improvements.

30 “(D) The costs of new improvements constructed at the brownfield

1 for the purpose of containing hazardous substances or limiting expo-  
2 sure to the release of hazardous substances.

3 “(E) The costs of managing, handling, removing, treating and dis-  
4 posing of solid waste, environmental media or building materials con-  
5 taining hazardous substances in the course of redeveloping the  
6 brownfield.

7 “(b) Eligible costs shall be reduced by the amount of any state or  
8 federal grant moneys received by the owner of the brownfield for en-  
9 vironmental site assessment or investigation, or removal or remedial  
10 action, at the brownfield in the property tax year to which an appli-  
11 cation filed under this section applies.

12 “(4) For purposes of subsection (2) of this section, documentation  
13 of eligible costs may include, but is not limited to, copies of contracts,  
14 notes and minutes of contract negotiations, accounts, invoices, sales  
15 receipts or other payment records of purchases, sales, leases or other  
16 transactions relating to the eligible costs, as required by the local  
17 government that elected to grant the abatement.

18 “(5) The application shall be reviewed by the local government that  
19 elected to grant the abatement. Upon request, the Department of En-  
20 vironmental Quality may consult with the local government with re-  
21 spect to remedial action costs included in the application as eligible  
22 costs. The local government may consult with the applicant about the  
23 application, and the applicant may amend the application.

24 “(6)(a) If the local government determines that the application does  
25 not meet the requirements of this section, the local government shall  
26 promptly notify the applicant in writing that the application is not  
27 approved, stating the reasons for the determination. A determination  
28 under this paragraph is not reviewable, but the owner of the  
29 brownfield may file an application under this section for any subse-  
30 quent year.

1       **“(b) If the local government determines that the application meets**  
2 **the requirements of this section, the local government shall promptly**  
3 **notify the applicant and the assessor of the county in which the**  
4 **brownfield is located in writing that the application is approved and**  
5 **of the amount of the eligible costs that may be applied to the abate-**  
6 **ment.**

7       **“(c) If the local government has not notified the owner under this**  
8 **subsection within 60 days after the application is filed, the application**  
9 **and the amount of eligible costs claimed on the application shall be**  
10 **deemed approved.**

11       **“SECTION 14. (1) An abatement shall be granted for the first**  
12 **property tax year that begins on or after the date on which the ap-**  
13 **proved application was filed under section 13 of this 2015 Act.**

14       **“(2) The abatement shall be computed as follows:**

15       **“(a) The amount of eligible costs for any property tax year equals**  
16 **the sum of the percentage of eligible costs and any amount of addi-**  
17 **tional abatement, allowed by the local government and listed on the**  
18 **newly approved application, plus any amounts carried forward under**  
19 **subsection (2)(d)(B) of this section.**

20       **“(b) Using information from the most recent assessment and tax**  
21 **roll for the property constituting the brownfield, the assessor of the**  
22 **county in which the property is located shall:**

23       **“(A) Determine the effective tax rate for the property by dividing**  
24 **the ad valorem taxes imposed on the property by the assessed value**  
25 **of the property.**

26       **“(B) Determine the capitalized amount of eligible costs by dividing**  
27 **the amount of eligible costs determined under paragraph (a) of this**  
28 **subsection by the effective tax rate determined under subparagraph**  
29 **(A) of this paragraph.**

30       **“(c) For purposes of the current assessment and tax roll, the county**

1 **assessor shall:**

2 **“(A) Subtract the capitalized amount of eligible costs determined**  
3 **under paragraph (b)(B) of this subsection from the real market value**  
4 **of the property for the current assessment year.**

5 **“(B) Determine what the assessed value of the property would have**  
6 **been without subtraction of the capitalized amount of eligible costs.**

7 **“(C) Determine what the effective tax rate for the property would**  
8 **have been using the assessed value determined under subparagraph (B)**  
9 **of this paragraph.**

10 **“(D) Determine the amount of ad valorem property taxes eligible**  
11 **for abatement by multiplying the assessed value determined under**  
12 **subparagraph (B) of this paragraph by the effective tax rate deter-**  
13 **mined under subparagraph (C) of this paragraph.**

14 **“(d)(A) The county assessor shall determine the amount of the ad**  
15 **valorem property taxes abated by subtracting the amount of eligible**  
16 **costs determined under paragraph (a) of this subsection from the**  
17 **amount of ad valorem property taxes eligible for abatement deter-**  
18 **mined under paragraph (c)(D) of this subsection.**

19 **“(B) If the amount of eligible costs determined under paragraph (a)**  
20 **of this subsection exceeds the amount of ad valorem property taxes**  
21 **eligible for abatement determined under paragraph (c)(D) of this sub-**  
22 **section, the excess amount shall be carried forward for four consec-**  
23 **utive property tax years. Excess amounts determined under this**  
24 **subparagraph may be carried forward and used for a property tax year**  
25 **regardless of whether a new application is filed for that property tax**  
26 **year. Excess amounts determined under this subparagraph expire after**  
27 **being carried forward for four consecutive years.**

28 **“(3) The county assessor shall note the amount of the ad valorem**  
29 **property taxes abated as a potential additional tax liability on the as-**  
30 **essment and tax rolls of the county.**

1       **“SECTION 15. (1)(a) In addition to any other remedy at law, a local**  
2 **government may modify an abatement granted under section 12 of this**  
3 **2015 Act on reliable documentary evidence that any statement or rep-**  
4 **resentation in any documentation filed pursuant to section 13 of this**  
5 **2015 Act is inaccurate.**

6       **“(b) The local government may revoke an abatement on reliable**  
7 **documentary evidence that the owner of the brownfield made any false**  
8 **statement or representation in any documentation filed pursuant to**  
9 **section 13 of this 2015 Act.**

10       **“(2) The local government shall promptly notify the county assessor**  
11 **of any modification or revocation under subsection (1) of this section.**

12       **“(3) If the local government makes a modification that results in**  
13 **an increase in property taxes for a prior property tax year, the amount**  
14 **of the increase shall be added to the property taxes imposed on the**  
15 **brownfield:**

16       **“(a) If the modification occurs on or after January 1 and before July**  
17 **1, for the current property tax year.**

18       **“(b) If the modification occurs on or after July 1 and before January**  
19 **1, for the next following property tax year.**

20       **“(4) If the local government revokes the abatement:**

21       **“(a) There shall be added to the property tax roll for the next fol-**  
22 **lowing property tax year, an amount equal to the potential additional**  
23 **tax liability noted on the tax rolls under section 14 (3) of this 2015 Act**  
24 **for all of the previous property tax years for which the abatement was**  
25 **granted.**

26       **“(b) Any excess amounts eligible to be carried forward under sec-**  
27 **tion 14 (2)(d)(B) of this 2015 Act shall be canceled.**

28       **“(5) Additional property taxes imposed on a brownfield under this**  
29 **section shall be collected and distributed in the same manner as other**  
30 **ad valorem property taxes.**

