

HB 3137 STAFF MEASURE SUMMARY

House Committee On Economic Development and Trade

Action Date: 04/10/17

Action: Do pass the bill. Refer to Revenue.

Vote: 9-0-0-0

Yeas: 9 - Clem, Gomberg, Helm, Lewis, Lininger, Marsh, Post, Reschke, Smith DB

Fiscal: No fiscal impact

Revenue: Revenue impact issued

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WHAT THE MEASURE DOES:

Adds brownfields to the definition of "blighted areas" for purposes of urban renewal law. Allows ports to have an urban renewal agency within port areas containing brownfields. Takes effect on the 91st day after sine die.

ISSUES DISCUSSED:

- Potential number of contaminated sites in Oregon
- Urban renewal options and tax increment financing
- Definition of "blight"

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

A generally accepted definition of a brownfield is "a real property where expansion or redevelopment is complicated by actual or perceived environmental contamination." Contaminated properties may pose health risks, and even the perception of contamination may reduce the property's value. A current search of the Oregon Department of Environmental Quality (DEQ) Environmental Cleanup Site Information database indicates there are 432 known current or former brownfields in Oregon, with thousands of additional sites catalogued in the DEQ Leaking Underground Storage Tank database. An October 2014 ECONorthwest report estimated that there are roughly 13,500 sites in Oregon with known or suspected contamination.

Current Oregon law allows a city or county to create an urban renewal agency with power to propose and act on plans and projects to remove "blight." Examples of blight include buildings that are unsafe or unfit for occupancy. The area where the work is to be done is known as a "plan area." When the district is created, the assessed value of property within the district is set (or "frozen") and those taxes continue to go to the government (city, county, and school districts throughout the State). Any property value increase above that frozen amount is called the "increment." The amount of taxes on the increased value (or "increment") is collected across the city or county for the urban renewal district to use for redevelopment projects.

House Bill 3137 would add brownfields to the definition of "blight" and allow ports to create urban renewal districts for port areas containing brownfields.