

# House Bill 3137

Sponsored by Representative BUEHLER

## 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 **as introduced**.

Clarifies that blight includes existence of brownfields for purposes of urban renewal plans. Authorizes port to have urban renewal agency with respect to urban renewal area within port territory that contains brownfield.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to brownfield remediation; amending ORS 457.010, 457.085, 457.105, 457.170, 457.180 and  
3 457.230; and prescribing an effective date.

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

5 **SECTION 1.** ORS 457.010 is amended to read:

6 457.010. As used in this chapter, unless the context requires otherwise:

7 (1) "Blighted areas" means areas that, by reason of deterioration, faulty planning, inadequate  
8 or improper facilities, deleterious land use or the existence of unsafe structures, or any combination  
9 of these factors, are detrimental to the safety, health or welfare of the community. A blighted area  
10 is characterized by the existence of one or more of the following conditions:

11 (a) The existence of buildings and structures, used or intended to be used for living, commercial,  
12 industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy  
13 for those purposes because of any one or a combination of the following conditions:

14 (A) Defective design and quality of physical construction;

15 (B) Faulty interior arrangement and exterior spacing;

16 (C) Overcrowding and a high density of population;

17 (D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities;

18 or

19 (E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;

20 (b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;

21 (c) The division or subdivision and sale of property or lots of irregular form and shape and in-  
22 adequate size or dimensions for property usefulness and development;

23 (d) The laying out of property or lots in disregard of contours, drainage and other physical  
24 characteristics of the terrain and surrounding conditions;

25 (e) The existence of inadequate streets and other rights of way, open spaces and utilities;

26 (f) The existence of property or lots or other areas that are subject to inundation by water;

27 (g) A prevalence of depreciated values, impaired investments and social and economic  
28 maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are  
29 inadequate for the cost of public services rendered;

30 (h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unpro-

**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 ductive condition of land potentially useful and valuable for contributing to the public health, safety  
 2 and welfare; [or]

3 (i) A loss of population and reduction of proper utilization of the area, resulting in its further  
 4 deterioration and added costs to the taxpayer for the creation of new public facilities and services  
 5 elsewhere[.]; **or**

6 **(j) Brownfields.**

7 (2) "Certified statement" means the statement prepared and filed pursuant to ORS 457.430 or  
 8 an amendment to the certified statement prepared and filed pursuant to ORS 457.430.

9 (3) "City" means any incorporated city.

10 (4)(a) "Existing urban renewal plan" means an urban renewal plan that provides for a division  
 11 of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before  
 12 December 6, 1996, that:

13 (A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b)  
 14 of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A)  
 15 or (B), on or after December 6, 1996; and

16 (B) For tax years beginning on or after July 1, 1998, includes the limit on indebtedness as de-  
 17 scribed in ORS 457.190 (3).

18 (b) If, on or after July 1, 1998, the maximum limit on indebtedness (adopted by ordinance before  
 19 July 1, 1998, pursuant to ORS 457.190) of an existing urban renewal plan is changed by substantial  
 20 amendment, then "indebtedness issued or incurred to carry out the existing urban renewal plan" for  
 21 purposes of ORS 457.435 includes only the indebtedness within the indebtedness limit adopted by  
 22 ordinance under ORS 457.190 (3)(c) before July 1, 1998.

23 (5) "Fiscal year" means the fiscal year commencing on July 1 and closing on June 30.

24 (6) "Governing body of a municipality" means, in the case of a city, the common council or other  
 25 legislative body thereof, and, in the case of a county, the board of county commissioners or other  
 26 legislative body thereof.

27 (7) "Housing authority" or "authority" means any housing authority established pursuant to the  
 28 Housing Authorities Law.

29 (8) "Increment" means that part of the assessed value of a taxing district attributable to any  
 30 increase in the assessed value of the property located in an urban renewal area, or portion thereof,  
 31 over the assessed value specified in the certified statement.

32 (9) "Maximum indebtedness" means the amount of the principal of indebtedness included in a  
 33 plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance  
 34 existing indebtedness.

35 (10)(a) "Municipality" means any county or any city in this state.

36 **(b) "Municipality" means any county, city or port organized under ORS chapter 777 or**  
 37 **778 with respect to an urban renewal area within the municipality that contains a brownfield.**

38 (c) "The municipality" means the municipality for which a particular urban renewal agency is  
 39 created.

40 (11) "Taxing body" or "taxing district" means the state, city, county or any other taxing unit  
 41 which has the power to levy a tax.

42 (12) "Urban renewal agency" or "agency" means an urban renewal agency created under ORS  
 43 457.035 and 457.045.

44 (13) "Urban renewal area" means a blighted area included in an urban renewal plan or an area  
 45 included in an urban renewal plan under ORS 457.160.

1 (14) "Urban renewal plan" or "plan" means a plan, as it exists or is changed or modified from  
2 time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105,  
3 457.115, 457.120, 457.125, 457.135 and 457.220.

4 (15) "Urban renewal project" or "project" means any work or undertaking carried out under  
5 ORS 457.170 in an urban renewal area.

6 **SECTION 2.** ORS 457.085 is amended to read:

7 457.085. (1) An urban renewal agency shall provide for public involvement in all stages in the  
8 development of an urban renewal plan.

9 (2) An urban renewal plan proposed by an urban renewal agency shall include all of the fol-  
10 lowing:

11 (a) A description of each urban renewal project to be undertaken.

12 (b) An outline for the development, redevelopment, improvements, land acquisition **and reme-**  
13 **diation**, demolition and removal of structures, clearance, rehabilitation or conservation of the urban  
14 renewal areas of the plan.

15 (c) A map and legal description of the urban renewal areas of the plan.

16 (d) An explanation of its relationship to definite local objectives regarding appropriate land uses  
17 and improved traffic, public transportation, public utilities, telecommunications utilities, recreational  
18 and community facilities and other public improvements.

19 (e) An indication of proposed land uses, maximum densities and building requirements for each  
20 urban renewal area.

21 (f) A description of the methods to be used for the temporary or permanent relocation of persons  
22 living in, and businesses situated in, the urban renewal area of the plan.

23 (g) An indication of which real property may be acquired and the anticipated disposition of said  
24 real property, whether by retention, resale, lease or other legal use, together with an estimated time  
25 schedule for such acquisition and disposition.

26 (h) If the plan provides for a division of ad valorem taxes under ORS 457.420 to 457.460, the  
27 maximum amount of indebtedness that can be issued or incurred under the plan.

28 (i) A description of what types of possible future amendments to the plan are substantial  
29 amendments and require the same notice, hearing and approval procedure required of the original  
30 plan under ORS 457.095 as provided in ORS 457.220, including but not limited to amendments:

31 (A) Adding land to the urban renewal area, except for an addition of land that totals not more  
32 than one percent of the existing area of the urban renewal area.

33 (B) Increasing the maximum amount of indebtedness that can be issued or incurred under the  
34 plan.

35 (j) For a project which includes a public building, an explanation of how the building serves or  
36 benefits the urban renewal area.

37 (3) An urban renewal plan shall be accompanied by a report which shall contain:

38 (a) A description of physical, social and economic conditions in the urban renewal areas of the  
39 plan and the expected impact, including the fiscal impact, of the plan in light of added services or  
40 increased population;

41 (b) Reasons for selection of each urban renewal area in the plan;

42 (c) The relationship between each project to be undertaken under the plan and the existing  
43 conditions in the urban renewal area;

44 (d) The estimated total cost of each project and the sources of moneys to pay such costs;

45 (e) The anticipated completion date for each project;

1 (f) The estimated amount of money required in each urban renewal area under ORS 457.420 to  
 2 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for  
 3 under ORS 457.420 to 457.460;

4 (g) A financial analysis of the plan with sufficient information to determine feasibility;

5 (h) A fiscal impact statement that estimates the impact of the tax increment financing, both until  
 6 and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban re-  
 7 newal area; and

8 (i) A relocation report which shall include:

9 (A) An analysis of existing residents or businesses required to relocate permanently or tempo-  
 10 rarily as a result of agency actions under ORS 457.170;

11 (B) A description of the methods to be used for the temporary or permanent relocation of per-  
 12 sons living in, and businesses situated in, the urban renewal area in accordance with ORS 35.500  
 13 to 35.530; and

14 (C) An enumeration, by cost range, of the existing housing units in the urban renewal areas of  
 15 the plan to be destroyed or altered and new units to be added.

16 (4) An urban renewal plan and accompanying report shall be forwarded to the planning com-  
 17 mission of the municipality for recommendations, prior to presenting the plan to the governing body  
 18 of the municipality for approval under ORS 457.095.

19 (5) An urban renewal plan and accompanying report shall be forwarded to the governing body  
 20 of each taxing district affected by the urban renewal plan and the agency shall consult and confer  
 21 with the taxing districts prior to presenting the plan to the governing body of the municipality for  
 22 approval under ORS 457.095. Any written recommendations of the governing body of each taxing  
 23 district shall be accepted, rejected or modified by the governing body of the municipality in adopting  
 24 the plan.

25 (6) No urban renewal plan shall be carried out until the plan has been approved by the gov-  
 26 erning body of each municipality pursuant to ORS 457.095 and 457.105.

27 **SECTION 3.** ORS 457.105 is amended to read:

28 457.105. (1) In addition to the approval of a plan by the governing body of the municipality un-  
 29 der ORS 457.095, when any portion of the area of a proposed urban renewal plan extends beyond the  
 30 boundaries of the municipality into any other municipality and, in the case of a proposed plan by  
 31 a county agency, when any portion of such area is within the boundaries of a city **or port**, the  
 32 governing body of the other municipality may approve the plan and may do so by resolution, rather  
 33 than by ordinance.

34 (2) A proposed plan for an urban renewal area which is wholly within the boundaries of a city,  
 35 or which is wholly within the boundaries of a county and does not include any area within the  
 36 boundaries of a city, must be approved only by the governing body of the municipality in accordance  
 37 with ORS 457.095.

38 **SECTION 4.** ORS 457.170 is amended to read:

39 457.170. An urban renewal agency may plan or undertake any urban renewal project to carry  
 40 out an approved urban renewal plan. In planning or undertaking an urban renewal project, the  
 41 urban renewal agency has the power:

42 (1) To carry out any work or undertaking and exercise any powers which a housing authority  
 43 is authorized to perform or exercise under ORS 456.055 to 456.235, subject to the provisions of this  
 44 chapter provided, however, that ORS 456.155 and 456.160 do not limit the power of an agency in  
 45 event of a default by a purchaser or lessee of land in an urban renewal plan to acquire property

1 and operate it free from the restrictions in those sections.

2 (2) To carry out any rehabilitation, [*or*] conservation **or brownfield remediation** work in an  
3 urban renewal area.

4 (3) To acquire real property, by condemnation if necessary, when needed to carry out the plan.

5 (4) To clear any areas acquired, including the demolition, removal or rehabilitation of buildings  
6 and improvements.

7 (5) To install, construct or reconstruct streets, utilities and site improvements in accordance  
8 with the urban renewal plan.

9 (6) To carry out plans for a program of the voluntary repair and rehabilitation of buildings or  
10 other improvements in an urban renewal area in accordance with the urban renewal plan.

11 (7) To assist in relocating persons living in, and property situated in, the urban renewal area  
12 in accordance with the approved urban renewal plan and to make relocation payments.

13 (8) To dispose of, including by sale or lease, any property or part thereof acquired in the urban  
14 renewal area in accordance with the approved urban renewal plan.

15 (9) To plan, undertake and carry out neighborhood development programs consisting of urban  
16 renewal project undertakings in one or more urban renewal areas which are planned and carried  
17 out on the basis of annual increments in accordance with the provisions of this chapter for planning  
18 and carrying out urban renewal plans.

19 (10) To accomplish a combination of the things listed in this section to carry out an urban re-  
20 newal plan.

21 **SECTION 5.** ORS 457.180 is amended to read:

22 457.180. An urban renewal agency, in addition to its other powers, may:

23 (1) Make plans for carrying out a program of voluntary repair and rehabilitation of buildings  
24 and improvements.

25 (2) Make plans for the enforcement of laws, codes and regulations relating to:

26 (a) The **remediation and** use of land.

27 (b) The use and occupancy of buildings and improvements.

28 (c) The repair, rehabilitation, demolition or removal of buildings and improvements.

29 (3) Make plans for the relocation of persons and property displaced by an urban renewal project.

30 (4) Make preliminary plans outlining urban renewal activities for neighborhoods to embrace two  
31 or more urban renewal areas.

32 (5) Conduct preliminary surveys to determine if the undertaking and carrying out of an urban  
33 renewal project is feasible.

34 (6) Develop, test and report methods and techniques and carry out demonstrations and other  
35 activities for the prevention and the elimination of urban blight.

36 (7) Engage in any other housing or community development activities specifically delegated to  
37 it by the governing body of the municipality including but not limited to land acquisition and dis-  
38 position, conservation, [*and*] rehabilitation **and remediation**, residential or business relocation,  
39 construction, leasing or management of housing, and the making of grants and loans from any  
40 available source.

41 **SECTION 6.** ORS 457.230 is amended to read:

42 457.230. (1) The urban renewal agency shall, in accordance with the approved urban renewal  
43 plan, make land in an urban renewal project available for use by private enterprise or public agen-  
44 cies. Such land shall be made available at a value determined by the urban renewal agency to be  
45 its fair reuse value, which represents the value, whether expressed in terms of rental or capital

1 price, at which the urban renewal agency in its discretion determines such land should be made  
2 available in order that it may be developed, redeveloped, cleared, conserved, [or] rehabilitated **or**  
3 **remediated** for the purposes specified in such plan.

4 (2) To assure that land acquired in an urban renewal project is used in accordance with the  
5 urban renewal plan, an urban renewal agency, upon the sale or lease of such land, shall obligate  
6 purchasers or lessees:

7 (a) To use the land for the purposes designated in the urban renewal plan.

8 (b) To begin the building of their improvements within a period of time which the urban renewal  
9 agency fixes as reasonable.

10 (3) Any obligations by the purchaser shall be covenants and conditions running with the land  
11 where the urban renewal agency so stipulates.

12 (4) Any contract for the transfer of any interest in land by the urban renewal agency may be  
13 recorded in the land records of the county in which the land is situated in the same manner as any  
14 other contract for the transfer of an interest in land is recorded.

15 **SECTION 7. This 2017 Act takes effect on the 91st day after the date on which the 2017**  
16 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

17