

A-Engrossed
House Bill 2174

Ordered by the House April 4
Including House Amendments dated April 4

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

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.

For urban renewal plan proposed on or after *[July 1, 2019]* **effective date of Act**, that includes public building project, requires concurrence of at least three of four taxing districts estimated to forgo most property tax revenue under proposed plan.

Requires notice of hearing on proposed urban renewal plan or substantial amendment or change to plan to contain statement that adoption may affect property tax rates for standard rate urban renewal plans or reduced rate plans whose consolidated billing tax rate includes tax pledged to repay exempt bonded indebtedness approved on or before October 6, 2001. Excludes from consolidated billing tax rate of urban renewal plans adopted or amended on or after effective date of Act tax pledged to repay exempt bonded indebtedness approved on or after effective date of Act.

Provides that for purposes of 20 percent limit on amount of land added by amendments to total land area of original urban renewal plan, calculation of total land area excludes reductions of land area made after original plan was adopted.

Requires urban renewal agency's annual statement to include maximum indebtedness for each urban renewal area included in urban renewal plan of agency, including amount of indebtedness incurred through end of preceding fiscal year. Requires statement to be distributed to each taxing district affected by urban renewal plan of agency.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to urban renewal; creating new provisions; amending ORS 457.010, 457.085, 457.095, 457.120,
3 457.220, 457.445 and 457.460; 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;

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 (b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;
2 (c) The division or subdivision and sale of property or lots of irregular form and shape and in-
3 adequate size or dimensions for property usefulness and development;
4 (d) The laying out of property or lots in disregard of contours, drainage and other physical
5 characteristics of the terrain and surrounding conditions;
6 (e) The existence of inadequate streets and other rights of way, open spaces and utilities;
7 (f) The existence of property or lots or other areas that are subject to inundation by water;
8 (g) A prevalence of depreciated values, impaired investments and social and economic
9 maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are
10 inadequate for the cost of public services rendered;
11 (h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unpro-
12 ductive condition of land potentially useful and valuable for contributing to the public health, safety
13 and welfare; or
14 (i) A loss of population and reduction of proper utilization of the area, resulting in its further
15 deterioration and added costs to the taxpayer for the creation of new public facilities and services
16 elsewhere.
- 17 (2) "Certified statement" means the statement prepared and filed pursuant to ORS 457.430 or
18 an amendment to the certified statement prepared and filed pursuant to ORS 457.430.
- 19 (3) "City" means any incorporated city.
- 20 (4)(a) "Existing urban renewal plan" means an urban renewal plan that provides for a division
21 of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before
22 December 6, 1996, that:
- 23 (A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b)
24 of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A)
25 or (B), on or after December 6, 1996; and
26 (B) For tax years beginning on or after July 1, 1998, includes the limit on indebtedness as de-
27 scribed in ORS 457.190 (3).
- 28 (b) If, on or after July 1, 1998, the maximum limit on indebtedness (adopted by ordinance before
29 July 1, 1998, pursuant to ORS 457.190) of an existing urban renewal plan is changed by substantial
30 amendment, then "indebtedness issued or incurred to carry out the existing urban renewal plan" for
31 purposes of ORS 457.435 includes only the indebtedness within the indebtedness limit adopted by
32 ordinance under ORS 457.190 (3)(c) before July 1, 1998.
- 33 (5) "Fiscal year" means the fiscal year commencing on July 1 and closing on June 30.
- 34 (6) "Governing body of a municipality" means, in the case of a city, the common council or other
35 legislative body thereof, and, in the case of a county, the board of county commissioners or other
36 legislative body thereof.
- 37 (7) "Housing authority" or "authority" means any housing authority established pursuant to the
38 Housing Authorities Law.
- 39 (8) "Increment" means that part of the assessed value of a taxing district attributable to any
40 increase in the assessed value of the property located in an urban renewal area, or portion thereof,
41 over the assessed value specified in the certified statement.
- 42 (9) "Maximum indebtedness" means the amount of the principal of indebtedness included in a
43 plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance
44 existing indebtedness.
- 45 (10) "Municipality" means any county or any city in this state. "The municipality" means the

1 municipality for which a particular urban renewal agency is created.

2 (11)(a) **“Public building” means:**

3 (A) A fire station, police station, public library, public hospital, capitol building, school
4 as defined in ORS 339.315, college, university, city hall or the residence of any state official
5 elected by the state at large;

6 (B) The grounds owned by a public body adjacent to a building described in subparagraph
7 (A) of this paragraph;

8 (C) The portion of any other building owned and prepared for occupation or occupied by
9 an agency of the state or a municipal corporation as defined in ORS 297.405; or

10 (D) A public art statue, sculpture, clock tower or bell tower.

11 (b) **“Public building” does not mean:**

12 (A) Property acquired by an urban renewal agency with the intent to redevelop or sell
13 the property;

14 (B) Property acquired by an urban renewal agency with the intent to lease the property
15 for a taxable use;

16 (C) Transportation infrastructure, including train stations, bus stations and publicly
17 owned parking facilities that support taxable property;

18 (D) Water or wastewater infrastructure facilities, including treatment facilities;

19 (E) Tourism-related facilities as defined in ORS 320.300; or

20 (F) Park and recreation facilities, including sports fields.

21 (12) **“Public building project” means an urban renewal project that includes a public
22 building.**

23 (13) **“Reduced rate plan” means an urban renewal plan that:**

24 (a) Was adopted before December 6, 1996, is an existing urban renewal plan and was
25 designated as an Option One plan under ORS 457.435;

26 (b) Was adopted before December 6, 1996, was an existing urban renewal plan designated
27 as an Option One plan under ORS 457.435 on October 6, 2001, and was substantially amended
28 as described in ORS 457.085 (2)(i)(A) or (B) on or after October 6, 2001;

29 (c) Was adopted on or after October 6, 2001; or

30 (d) Was adopted before December 5, 1996, if the governing body of the city or county that
31 adopted the plan has, pursuant to ORS 457.445 (4), irrevocably elected to use a consolidated
32 billing tax rate determined under ORS 457.445 (1)(b) and, on or before July 15 of the first
33 property tax year for which the election is effective, provided the county assessor with a
34 copy of the resolution or ordinance making the election.

35 (14) **“Standard rate plan” means an urban renewal plan that is not a reduced rate plan.**

36 [(11)] (15) [*“Taxing body” or*] **“Taxing district” means the state, city, county or any other
37 [taxing] unit [which] of government that has the power to levy a tax.**

38 [(12)] (16) **“Urban renewal agency” or “agency” means an urban renewal agency created under
39 ORS 457.035 and 457.045.**

40 [(13)] (17) **“Urban renewal area” means a blighted area included in an urban renewal plan or
41 an area included in an urban renewal plan under ORS 457.160.**

42 [(14)] (18) **“Urban renewal plan” or “plan” means a plan, as it exists or is changed or modified
43 from time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105,
44 457.115, 457.120, 457.125, 457.135 and 457.220.**

45 [(15)] (19) **“Urban renewal project” or “project” means any work or undertaking carried out**

1 under ORS 457.170 in an urban renewal area.

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

3 457.085. (1) An urban renewal agency shall provide for public involvement in all stages in the
4 development of an urban renewal plan.

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

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

8 (b) An outline for the development, redevelopment, improvements, land acquisition, demolition
9 and removal of structures, clearance, rehabilitation or conservation of the urban renewal areas of
10 the plan.

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

12 (d) An explanation of *[its]* **the plan's** relationship to definite local objectives regarding appro-
13 priate land uses and improved traffic, public transportation, public utilities, telecommunications
14 utilities, recreational and community facilities and other public improvements.

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

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

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

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

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

27 *[(A) Adding land to the urban renewal area, except for an addition of land that totals not more
28 than one percent of the existing area of the urban renewal area.]*

29 **(A) Adding land to the urban renewal area if the addition results in a cumulative addition
30 of more than one percent of the urban renewal area.**

31 **(B) Increasing the maximum amount of indebtedness that can be issued or incurred under the
32 plan.**

33 (j) For a project *[which]* **that** includes a public building, an explanation of how the **public**
34 building serves or benefits the urban renewal area.

35 *[(3) An urban renewal plan shall be accompanied by a report which shall contain:]*

36 *[(a) A description of physical, social and economic conditions in the urban renewal areas of the
37 plan and the expected impact, including the fiscal impact, of the plan in light of added services or in-
38 creased population;]*

39 *[(b) Reasons for selection of each urban renewal area in the plan;]*

40 *[(c) The relationship between each project to be undertaken under the plan and the existing condi-
41 tions in the urban renewal area;]*

42 *[(d) The estimated total cost of each project and the sources of moneys to pay such costs;]*

43 *[(e) The anticipated completion date for each project;]*

44 *[(f) The estimated amount of money required in each urban renewal area under ORS 457.420 to
45 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for under*

1 *ORS 457.420 to 457.460;*]

2 [(g) *A financial analysis of the plan with sufficient information to determine feasibility;*]

3 [(h) *A fiscal impact statement that estimates the impact of the tax increment financing, both until*
4 *and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal*
5 *area; and]*

6 [(i) *A relocation report which shall include:*]

7 [(A) *An analysis of existing residents or businesses required to relocate permanently or temporarily*
8 *as a result of agency actions under ORS 457.170;*]

9 [(B) *A description of the methods to be used for the temporary or permanent relocation of persons*
10 *living in, and businesses situated in, the urban renewal area in accordance with ORS 35.500 to 35.530;*
11 *and]*

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

14 [(4) *An urban renewal plan and accompanying report shall be forwarded to the planning commis-*
15 *sion of the municipality for recommendations, prior to presenting the plan to the governing body of the*
16 *municipality for approval under ORS 457.095.]*

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

22 [(6) *No urban renewal plan shall be carried out until the plan has been approved by the governing*
23 *body of each municipality pursuant to ORS 457.095 and 457.105.]*

24 **SECTION 3. ORS 457.120 and sections 4 and 5 of this 2019 Act are added to and made a**
25 **part of ORS 457.035 to 457.320.**

26 **SECTION 4. An urban renewal plan proposed by an urban renewal agency shall be ac-**
27 **companied by a report that contains:**

28 (1) **A description of the physical, social and economic conditions in the urban renewal**
29 **areas of the plan and the expected impact, including the fiscal impact, of the plan in light**
30 **of added services or increased population;**

31 (2) **Reasons for the selection of each urban renewal area in the plan;**

32 (3) **The relationship between each project to be undertaken under the plan and the ex-**
33 **isting conditions in the urban renewal area;**

34 (4) **The estimated total costs for each project and the sources of moneys to pay the costs;**

35 (5) **The anticipated completion date for each project;**

36 (6) **The estimated amount of moneys required for each urban renewal area under ORS**
37 **457.420 to 457.460 and the anticipated year in which indebtedness will be retired or otherwise**
38 **provided for under ORS 457.420 to 457.460;**

39 (7) **A financial analysis of the plan with sufficient information to determine the feasibility**
40 **of the plan;**

41 (8) **A fiscal impact statement that estimates the impact of the tax increment financing,**
42 **both until and after the indebtedness is repaid, upon all districts levying taxes upon property**
43 **in the urban renewal area; and**

44 (9) **A relocation report that includes:**

45 (a) **An analysis of existing residents or businesses required to relocate temporarily or**

1 permanently as a result of the urban renewal agency's actions under ORS 457.170;

2 (b) A description of the methods to be used for the temporary or permanent relocation
3 of persons living, and businesses situated, in the urban renewal area, in accordance with ORS
4 35.500 to 35.530; and

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

7 **SECTION 5.** (1) An urban renewal agency shall forward an urban renewal plan and the
8 accompanying report to the planning commission of the municipality for recommendations
9 before presenting the plan to the governing body of the municipality for approval under ORS
10 457.095.

11 (2)(a) The urban renewal agency shall deliver the urban renewal plan and accompanying
12 report to the governing body of each taxing district affected by the urban renewal plan, by
13 certified mail or any form of delivery that requires a signature upon delivery or that may
14 otherwise be tracked. The agency shall consult and confer with the taxing districts before
15 presenting the plan to the governing body of the municipality for approval under ORS 457.095.

16 (b) The governing body of each taxing district shall have 45 days following receipt of the
17 plan and report to submit written recommendations to the urban renewal agency. In adopt-
18 ing the plan, the governing body of the municipality shall accept, reject or modify the rec-
19 ommendations of each taxing district.

20 (3)(a) An urban renewal plan proposed on or after the effective date of this 2019 Act that
21 includes a public building project requires the concurrence of at least three of the four taxing
22 districts that are estimated to forgo the most property tax revenue as computed in the re-
23 port accompanying the proposed plan. The question of concurrence shall be determined by
24 a vote of the governing body of each of the four taxing districts.

25 (b) The urban renewal agency shall include with the urban renewal plan and accompa-
26 nying report provided pursuant to subsection (2) of this section a request for concurrence
27 in the inclusion of the public building project in the proposed plan.

28 (c) The governing body of each taxing district described in paragraph (a) of this sub-
29 section shall, by written resolution, concur or decline to concur in the inclusion of the public
30 building project in the proposed plan.

31 (d)(A) If at least three of the four taxing districts described in paragraph (a) of this
32 subsection concur, the public building project may be included in the proposed plan.

33 (B) If at least two of the four taxing districts described in paragraph (a) of this sub-
34 section do not concur, the public building project may not be included in the proposed plan.

35 (e) If the governing body of a taxing district described in paragraph (a) of this subsection
36 does not respond within 45 days after receiving the plan and report under subsection (2) of
37 this section, the taxing district shall be deemed to have concurred in the inclusion of all
38 public building projects included in the plan.

39 (4) Subsections (2) and (3) of this section also apply to:

40 (a) The addition on or after the effective date of this 2019 Act of a public building project
41 to an urban renewal plan that is not included in the plan before the effective date of this 2019
42 Act.

43 (b) An amendment proposed on or after the effective date of this 2019 Act to an urban
44 renewal plan that significantly increases the scope of work for a public building project to
45 be paid for with division of taxes pursuant to ORS 457.420 to 457.460.

1 **(5) An urban renewal plan may not be carried out until the plan has been approved by**
2 **the governing body of each municipality pursuant to ORS 457.095 and 457.105.**

3 **SECTION 6.** ORS 457.095 is amended to read:

4 457.095. (1) The governing body of *[the]* a municipality, upon receipt of a proposed urban re-
5 newal plan and report from the municipality's urban renewal agency and after public notice and
6 hearing and consideration of public testimony and planning commission **and taxing district** recom-
7 mendations, if any, may approve the urban renewal plan. The approval shall be by nonemergency
8 ordinance *[which shall incorporate]* **that incorporates** the plan by reference. Notice of adoption of
9 the ordinance approving the urban renewal plan, and the provisions of ORS 457.135, shall be pub-
10 lished by the governing body of the municipality in accordance with ORS 457.115 no later than four
11 days following the ordinance adoption.

12 (2) The ordinance shall include determinations and findings by the governing body **of the**
13 **municipality** that:

14 [(1)] (a) Each urban renewal area is blighted;

15 [(2)] (b) The rehabilitation and redevelopment is necessary to protect the public health, safety
16 or welfare of the municipality;

17 [(3)] (c) The urban renewal plan conforms to the comprehensive plan and economic development
18 plan, if any, of the municipality as a whole and provides an outline for accomplishing the urban
19 renewal projects the urban renewal plan proposes;

20 [(4)] (d) Provision has been made to house displaced persons within their financial means in
21 accordance with ORS 35.500 to 35.530 and, except in the relocation of elderly individuals or indi-
22 viduals with disabilities, without displacing on priority lists persons already waiting for existing
23 federally subsidized housing;

24 [(5)] (e) If acquisition of real property is provided for, *[that]* it is necessary;

25 [(6)] (f) Adoption and carrying out of the urban renewal plan is economically sound and feasible;
26 and

27 [(7)] (g) The municipality shall assume and complete any activities prescribed it by the urban
28 renewal plan.

29 **SECTION 7.** ORS 457.120 is amended to read:

30 457.120. (1) In addition to any required public notice of hearing on a proposed urban renewal
31 plan or substantial amendment or change to a plan, as described in ORS 457.085 (2)(i) and 457.220,
32 the municipality shall cause notice of a hearing by the governing body on a proposed plan for a new
33 urban renewal area or on a proposed change containing one of the types of amendments specified
34 in ORS 457.085 (2)(i) to be mailed to each individual or household in one of the following groups:

35 (a) Owners of real property that is located in the municipality;

36 (b) Electors registered in the municipality;

37 (c) Sewer, water, electric or other utility customers in the municipality; or

38 (d) Postal patrons in the municipality.

39 (2) If the urban renewal area governed by the plan or substantial amendment thereof extends
40 beyond the boundaries of the municipality, notice shall also be sent to each individual in the se-
41 lected group who is located in the urban renewal area.

42 (3) The notice required by this section shall contain a statement in plain language that:

43 (a) The governing body, on a specified date, will hold a public hearing and consider an ordinance
44 adopting or substantially amending an urban renewal plan;

45 **(b) If the plan is a standard rate plan, or a reduced rate plan for which the consolidated**

1 **billing tax rate includes a tax pledged to repay exempt bonded indebtedness that was ap-**
2 **proved by taxing district electors on or before October 6, 2001,** the adoption or amendment may
3 [*impact*] **affect** property tax rates;

4 (c) [*States*] **Sets forth** the proposed maximum amount of indebtedness that can be issued or in-
5 curred under the plan or amendment;

6 (d) The ordinance, if approved, is subject to referendum; and

7 (e) A copy of the ordinance, urban renewal plan and accompanying report can be obtained by
8 contacting a designated person within the municipality.

9 (4) If the municipality [*which*] **that** activated the urban renewal agency is a county:

10 (a) The notice required by subsection (1) of this section shall be sent to each individual or
11 household in one of the groups listed in subsections (1)(a) to (d) of this section, except that the no-
12 tice need be sent only to those individuals or households located in a school district with territory
13 affected or to be affected by the tax increment financing for the new urban renewal area or pro-
14 posed change.

15 (b) In addition to the notice under paragraph (a) of this subsection, the county shall cause notice
16 to be published in a paper of general circulation throughout the county. The published notice shall
17 contain the information described in subsection (3) of this section, be published in an advertisement
18 not less than three inches in height and three inches in width and be located in a general interest
19 section of the newspaper other than the classified advertisement section.

20 **SECTION 8.** ORS 457.445 is amended to read:

21 457.445. (1)(a) The consolidated billing tax rate of the following urban renewal plans shall be
22 determined under paragraph (b) of this subsection:

23 (A) An existing urban renewal plan (other than an existing urban renewal plan designated as
24 an Option Three plan under ORS 457.435 (2)(c));

25 (B) An urban renewal plan that was an existing urban renewal plan on October 6, 2001, (other
26 than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c))
27 and that was substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after October
28 6, 2001; and

29 (C) An urban renewal plan adopted on or after October 6, 2001.

30 (b)(A) The consolidated billing tax rate of an urban renewal plan described in paragraph (a) of
31 this subsection equals the total of all district tax rates used to extend taxes after any adjustment
32 to reflect tax offsets under ORS 310.105.

33 (B) Notwithstanding subparagraph (A) of this paragraph, the consolidated billing tax rate of an
34 urban renewal plan described in paragraph (a) of this subsection excludes any rate derived from:

35 (i) An urban renewal special levy under ORS 457.435.

36 (ii) A local option tax, as defined in ORS 280.040, that is approved by taxing district electors
37 after October 6, 2001.

38 (iii) A tax pledged to repay exempt bonded indebtedness (other than exempt bonded indebtedness
39 used to fund local government pension and disability plan obligations that, until funded by the ex-
40 empt bonded indebtedness, were described in Article XI, section 11 (5), of the Oregon Constitution),
41 as defined in ORS 310.140, that is approved by taxing district electors after October 6, 2001.

42 (iv) The increase in the rate of ad valorem property tax allowable under Article XI, section 11
43 (5)(d), of the Oregon Constitution, for a school district with a statutory rate limit on July 1, 2003,
44 that is greater than \$4.50 per \$1,000 of assessed value, to the extent that the increase is excluded
45 from local revenues, as that term is used in ORS chapter 327, and provided that the school district

1 notifies the county assessor of the rate to be excluded for the current fiscal year not later than July
2 15.

3 (2)(a) The consolidated billing tax rate of all other urban renewal plans equals the total of all
4 district ad valorem property tax rates used to extend taxes after any adjustments to reflect tax off-
5 sets under ORS 310.105.

6 (b) Notwithstanding paragraph (a) of this subsection, the consolidated billing tax rate of urban
7 renewal plans referred to in paragraph (a) of this subsection excludes:

8 (A) An urban renewal special levy rate under ORS 457.435[.];

9 (B) A new local option tax[.]; **and**

10 (C) **If the urban renewal plan is adopted or substantially amended on or after the effec-**
11 **tive date of this 2019 Act, a tax pledged to repay exempt bonded indebtedness, as defined in**
12 **ORS 310.140, that is approved by taxing district electors on or after the effective date of this**
13 **2019 Act.**

14 (3)(a) Notwithstanding subsection (2)(b)(B) of this section, the consolidated billing tax rate of
15 urban renewal plans referred to in subsection (2)(a) of this section includes a new local option tax
16 imposed in a fiscal year for which the urban renewal agency files with the county assessor an
17 impairment certificate in the manner described in paragraph (b) of this subsection not later than the
18 May 1 immediately preceding the beginning of the fiscal year.

19 (b) An impairment certificate must:

20 (A) Identify the urban renewal plan to which it relates;

21 (B) Instruct the county assessor to include the new local option tax in the consolidated billing
22 tax rate for the urban renewal plan for the ensuing fiscal year;

23 (C) State that the urban renewal agency has reasonably determined that excluding the new local
24 option tax from the consolidated billing tax rate for the fiscal year under this subsection would
25 impair contracts that the agency has entered into with owners of indebtedness incurred before Oc-
26 tober 7, 2013, to carry out an urban renewal plan described in subsection (2) of this section; and

27 (D) Be signed by an authorized representative of the agency.

28 (4)(a) Notwithstanding subsection (2) of this section, the governing body of a municipality that
29 adopted an urban renewal plan before December 5, 1996 (other than an existing urban renewal plan
30 designated as an Option Three plan under ORS 457.435 (2)(c)), that would otherwise be required to
31 use a consolidated billing tax rate determined under subsection (2) of this section may, by resolution
32 or ordinance, irrevocably elect to have amounts collected by dividing the taxes for the urban re-
33 newal plan pursuant to ORS 457.440 be determined under subsection (1)(b) of this section.

34 (b) An election made pursuant to this subsection applies first to the assessment roll next fol-
35 lowing if the assessor has received notice of the election from the urban renewal agency before
36 January 1.

37 (5) As used in this section, “new local option tax” means a local option tax, as defined in ORS
38 280.040, that is approved by taxing district electors after January 1, 2013.

39 **SECTION 9.** ORS 457.220 is amended to read:

40 457.220. (1) Except for the provisions of subsections (2) and (4) of this section, an urban renewal
41 agency shall carry out the urban renewal plan approved under ORS 457.095.

42 (2) Any substantial change made in the urban renewal plan shall, before being carried out, be
43 approved and recorded in the same manner as the original plan.

44 (3) **[No land] An urban renewal agency may not by amendments add to the urban renewal**
45 **areas of a plan land that is equal to more than 20 percent of the total land area of the original**

1 plan *[shall be added to the urban renewal areas of a plan by amendments]* **as calculated without**
2 **taking into account any subsequent reductions of the area.**

3 (4) On or after January 1, 2010, the urban renewal agency may amend a plan that is not a large
4 metropolitan plan as defined in ORS 457.470 to increase the maximum indebtedness, provided that:

5 (a) The aggregate of all amendments under this subsection may not exceed 20 percent of the
6 plan's initial maximum indebtedness, as adjusted pursuant to paragraph (b) of this subsection.

7 (b) For purposes of computing the 20 percent limit on increases in maximum indebtedness, the
8 initial maximum indebtedness may be increased annually on the anniversary date of initial approval
9 of the plan by the index used in the urban renewal report to compute the future costs of projects
10 that will be financed under the plan, beginning on the later of July 1, 1999, or the first anniversary
11 of plan approval. This increase may be applied only to the first amendment to the maximum
12 indebtedness that is made on or after January 1, 2010.

13 (5) The limits in subsection (4) of this section do not apply if the agency obtains concurrence
14 as provided in ORS 457.470.

15 **SECTION 10.** ORS 457.460 is amended to read:

16 457.460. (1) Not later than January 31 of each year, an urban renewal agency shall prepare a
17 statement, on the same basis on which its financial statements are prepared, containing:

18 (a) The amount of *[money]* **moneys** received during the preceding fiscal year under ORS 457.420
19 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

20 (b) The purposes and amounts for which any *[money]* **moneys** received under ORS 457.420 to
21 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 were expended during the
22 preceding fiscal year;

23 (c) An estimate of moneys to be received during the current fiscal year under ORS 457.420 to
24 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

25 (d) A budget setting forth the purposes and estimated amounts for which the moneys *[which]*
26 **that** have been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred
27 under ORS 457.420 to 457.460 are to be expended during the current fiscal year; *[and]*

28 **(e) The maximum indebtedness for each urban renewal area included in an urban renewal**
29 **plan of the agency, including the amount of indebtedness incurred through the end of the**
30 **immediately preceding fiscal year; and**

31 *[(e)]* **(f)** An analysis of the impact, if any, of carrying out the urban renewal plan on the tax
32 collections for the preceding year for all taxing districts included under ORS 457.430.

33 (2)**(a)** The statement required by subsection (1) of this section shall be filed with the governing
34 body of the municipality **and distributed to each taxing district affected by an urban renewal**
35 **plan of the agency.** Notice shall be published that the statement has been prepared and is on file
36 with the municipality and the agency and the information contained in the statement is available
37 to all interested persons. The notice shall be published once a week for not less than two successive
38 weeks before March 1 of the year in which the statement is filed, in accordance with ORS 457.115.
39 The notice shall summarize the information required under subsection (1)(a) to *[(d)]* **(e)** of this sec-
40 tion and shall set forth in full the information required under subsection *[(1)(e)]* **(1)(f)** of this section.

41 **(b) Staff of the agency shall be available to consult with affected taxing districts and re-**
42 **spond to questions.**

43 **SECTION 11.** ORS 457.445, 457.455 and 457.470 are added to and made a part of ORS
44 457.420 to 457.460.

45 **SECTION 12.** This 2019 Act takes effect on the 91st day after the date on which the 2019

1 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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