

**Enrolled**  
**House Bill 2458**

Sponsored by Representative NATHANSON (at the request of House Interim Revenue Committee)  
(Presession filed.)

CHAPTER .....

AN ACT

Relating to the correction of erroneous material in Oregon tax law; amending ORS 457.010; and prescribing an effective date.

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

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

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

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

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

- (A) Defective design and quality of physical construction;
- (B) Faulty interior arrangement and exterior spacing;
- (C) Overcrowding and a high density of population;
- (D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities;

or

- (E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;
- (b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;
- (c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;
- (d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;
- (e) The existence of inadequate streets and other rights of way, open spaces and utilities;
- (f) The existence of property or lots or other areas that are subject to inundation by water;
- (g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;
- (h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare; or

(i) A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

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

(3) "City" means any incorporated city.

(4)(a) "Existing urban renewal plan" means an urban renewal plan that provides for a division of ad valorem property taxes as described under ORS 457.420 to 457.470 adopted by ordinance before December 6, 1996, that:

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

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

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

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

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

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

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

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

(10) "Municipality" means any county or any city in this state. "The municipality" means the municipality for which a particular urban renewal agency is created.

(11) "Permanent rate plan" means an urban renewal plan that:

(a) Was adopted on or after September 29, 2019; or

(b) Was substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after September 29, 2019.

(12)(a) "Public building" means:

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

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

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

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

(b) "Public building" does not mean:

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

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

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

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

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

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

(13) "Public building project" means an urban renewal project that includes a public building.

(14) "Reduced rate plan" means an urban renewal plan that:

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

(b) Was adopted before December 6, 1996, was an existing urban renewal plan designated as an Option One plan under ORS 457.435 on October 6, 2001, and was substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after October 6, 2001, and before September 29, 2019;

(c) Was adopted on or after October 6, 2001, and before September 29, 2019; or

(d) Was adopted before December 5, 1996, if the governing body of the city or county that adopted the plan has, pursuant to ORS 457.445 [(4)] (5), irrevocably elected to use a consolidated billing tax rate determined under ORS 457.445 [(1)(b)] (6) and, on or before July 15 of the first property tax year for which the election is effective, provided the county assessor with a copy of the resolution or ordinance making the election.

(15) "Standard rate plan" means an urban renewal plan that is not a permanent rate plan or reduced rate plan.

(16) "Taxing district" means the state, city, county or any other unit of government that has the power to levy a tax.

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

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

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

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

**NOTE:** Corrects cross-references in (14)(d) to statute reorganized and amended in 2019.

**SECTION 2. This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.**

**Passed by House April 5, 2021**

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

**Passed by Senate May 11, 2021**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M.,....., 2021

**Approved:**

.....M.,....., 2021

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Kate Brown, Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2021

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Shemia Fagan, Secretary of State