

SB 967 A STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Meeting Dates: 4/16, 4/30

WHAT THE MEASURE DOES:

The measure expands provisions for local improvements, specifically addressing projects in unincorporated areas within an urban growth boundary. It provides a mechanism for local governments that have all or part of a local improvement proposed within their jurisdiction to enter into an intergovernmental agreement, allowing them to allocate jurisdictional authority among themselves over the local improvement. The measure requires that local improvements comply with the comprehensive plan of any city in which the improvement is or will be located. It clarifies that the creation of a local improvement district does not alter the uses of land that are already allowed within that district. The measure applies these new provisions to local improvements proposed for unincorporated areas located inside an urban growth boundary.

Fiscal impact: Has minimal fiscal impact

Revenue impact: No revenue impact

SENATE VOTE: Ayes, 29; Excused, 1.

ISSUES DISCUSSED:

- Scope of issue in the state
- Issues arising from City of Bend growth
- Local Improvement District process and agreements
- Responsibility for community engagement
- Provisions prevailing and debt carrying entities in intergovernmental agreements

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Assessment for local improvement is a charge that is limited to the actual costs a government unit incurs for designing, constructing, and financing a local improvement (ORS 310.140). A local improvement itself is a capital construction project undertaken by a local government to enhance or remedy issues for specific properties; these projects are conducted under statutory or local ordinance authority, benefit only the properties affected, are financed by a single comprehensive assessment on those properties upon project completion, and allow property owners the option to pay off the assessment, with interest, over a period of at least ten years.

ORS 223.389 establishes the procedure for making local assessments for local improvements by allowing a local government's governing body to prescribe the method—through an ordinance or resolution—for estimating and finalizing assessments on properties that benefit from a local improvement. This process includes designating the local improvement and its district, notifying affected property owners at least 10 days in advance via posting, newspaper, mail, or a combination thereof, and specifying the time and place for receiving objections. The governing body is required to determine, based on contract awards or departmental cost estimates, whether and how much of the improvement's cost each property should bear, after which an official prepares and files estimated assessments for each lot and sends notice to the property owners. Owners are then given a deadline to file any objections, and the governing body reviews these objections to adopt, modify, or correct the proposed

assessments, ensuring the final amounts reflect the specific benefits received by each property.

PRELIMINARY