

Enrolled
House Bill 3455

Sponsored by Representative BUTLER

CHAPTER

AN ACT

Relating to urban renewal; creating new provisions; 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) "Consolidated billing tax rate" means:

(a) If the urban renewal plan is an existing urban renewal plan (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)), **an urban renewal plan that was an existing urban renewal plan on October 6, 2001, (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)) and that was substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after October 6, 2001,** or an urban renewal plan adopted on or after October 6, 2001, the total of all district tax rates used to extend taxes after any adjustment to reflect tax offsets under ORS 310.105, but does not include any rate derived from:

(A) Any urban renewal special levy under ORS 457.435;

(B) A local option tax, as defined in ORS 280.040, that is approved by taxing district electors after October 6, 2001; or

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

(b) In the case of all other urban renewal plans, the total of all district ad valorem property tax rates used to extend taxes after any adjustments to reflect tax offsets under ORS 310.105, except that "consolidated billing tax rate" does not include any urban renewal special levy rate under ORS 457.435.

(5)(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 457.460 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.

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

(7) "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.

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

(9) "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.

(10) "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.

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

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

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

(14) "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.

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

(16) "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.

SECTION 2. The amendments to ORS 457.010 by section 1 of this 2007 Act apply to tax years beginning on or after July 1, 2007.

SECTION 3. This 2007 Act takes effect on the 91st day after the date on which the regular session of the Seventy-fourth Legislative Assembly adjourns sine die.

Passed by House June 1, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate June 18, 2007

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President of Senate

Received by Governor:

.....M,....., 2007

Approved:

.....M,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M,....., 2007

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Secretary of State