

Chapter 457

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Urban Renewal of Blighted Areas

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DEFINITIONS AND GENERAL PROVISIONS

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

(1) "Blighted areas" means areas which, 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, which 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 which 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 poten-

tially 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 amendment to the certified statement prepared and filed pursuant to ORS 457.430.

(3) "City" means any incorporated city.

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

(5) "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.

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

(7) "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.

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

(9) "Shared property" of a taxing district and an urban renewal agency means the property within:

(a) The taxing district; and

(b) The municipality that activated the urban renewal agency or any portion of an urban renewal area of the agency outside the municipality.

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

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

(12) "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.

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

(14) "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. [Amended by 1957 c.456 §1; 1969 c.225 §1; 1979 c.621 §10; 1991 c.67 §128; 1991 c.459 §330]

457.020 Declaration of necessity and purpose. It hereby is found and declared:

(1) That there exist within the state blighted areas.

(2) That such areas impair economic values and tax revenues.

(3) That such areas cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals and welfare of the residents of the state and that these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health, safety and welfare, fire and accident protection and other public services and facilities.

(4) That certain blighted areas may require acquisition and clearance since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation, but other areas or portions thereof may be susceptible of conservation or rehabilitation in such manner that the conditions and evils mentioned in subsections (1), (2) and (3) of this section may be eliminated, remedied or prevented and that such areas should, if possible, be conserved and rehabilitated through appropriate public action and the cooperation and voluntary action of the owners and tenants of property in such areas.

(5) That the acquisition, conservation, rehabilitation, redevelopment, clearance, re-planning and preparation for rebuilding of these areas, and the prevention or the reduction of blight and its causes, are public uses and purposes for which public money may be spent and private property acquired and are governmental functions of state concern.

(6) That there are also certain areas where the condition of the title, the diverse ownership of the land to be assembled, the street or lot layouts or other conditions prevent a proper development of the land, and that it is in the public interest that such areas, as well as blighted areas, be acquired by eminent domain and made available for sound and wholesome development in accordance with a redevelopment or urban renewal plan, and that the exercise of the power of eminent domain and the financing of the acquisition and preparation of land by a public agency for such redevelopment or

urban renewal is likewise a public use and purpose.

(7) That redevelopment and urban renewal activities will stimulate residential construction which is closely correlated with general economic activity; that undertakings authorized by this chapter will aid the production of better housing and more desirable neighborhood and community development at lower costs and will make possible a more stable and larger volume of residential construction, which will assist materially in maintaining full employment.

(8) That the necessity in the public interest for this chapter is a matter of legislative determination. [Amended by 1957 c.456 §2; 1979 c.621 §11]

457.025 Powers supplemental to other laws. The powers conferred by this chapter are in addition and supplemental to the powers conferred by any other law. [Formerly 457.110]

457.030 [Amended by 1957 c.456 §18; repealed by 1979 c.621 §28]

URBAN RENEWAL AGENCIES; PLANS; ACTIVITIES

457.035 Urban renewal agencies; creation; ordinance to exercise powers; jurisdiction. (1) In each municipality, as defined in ORS 457.010, there hereby is created a public body corporate and politic to be known as the "urban renewal agency" of the municipality. However, the urban renewal agency shall not exercise its powers until or unless the governing body of the municipality, by nonemergency ordinance, declares that blighted areas exist in the municipality and that there is need for an urban renewal agency to function in the municipality and elects to have the powers of an urban renewal agency exercised in any of the three ways provided in ORS 457.045.

(2) An urban renewal agency, upon activation under subsection (1) of this section, shall have authority to exercise its powers within the same area of operation given a housing authority of the municipality under ORS 456.060. [Formerly 457.130]

457.040 [Repealed by 1979 c.621 §28]

457.045 Election of method of exercise of urban renewal agency's powers. The governing body of a municipality shall, in the ordinance adopted under ORS 457.035, elect to have the powers of an urban renewal agency under this chapter exercised in one of the following ways:

(1) By a housing authority of the municipality established pursuant to the Housing Authorities Law in which case the name of the body corporate and politic shall be the

"housing authority and urban renewal agency" of the municipality.

(2) By appointing a board or commission composed of not less than three members.

(3) By the governing body, itself, provided, however, that any act of the governing body acting as the urban renewal agency shall be, and shall be considered, the act of the urban renewal agency only and not of the governing body. [Formerly 457.140]

457.050 [Amended by 1953 c.230 §3; 1957 c.456 §19; repealed by 1979 c.621 §28]

457.055 Transfer of agency powers. At any time following adoption of the ordinance under ORS 457.035, or for urban renewal agencies activated before October 3, 1979, at any time following adoption of a proper resolution or ordinance of the governing body of the municipality, the governing body of a municipality may, by ordinance, transfer the authority to exercise the powers of the urban renewal agency to any other body authorized to exercise those powers under ORS 457.045. All duties and obligations of the urban renewal agency shall thereafter be assumed by the body to which those powers are transferred. [1979 c.621 §16 (enacted in lieu of 457.145)]

457.060 [Repealed by 1979 c.621 §28]

457.065 Advisory board for housing authority acting as urban renewal agency. For the purpose of coordinating its activities and undertakings under this chapter with the needs and undertakings of other local organizations and groups, a housing authority exercising the powers of an urban renewal agency under ORS 457.045 shall establish an advisory board consisting of the chairman of the authority, who shall be chairman of the advisory board, and of sufficient members, to be appointed by the chairman, to represent as far as practicable:

(1) The general public and consumers of housing.

(2) General business interests.

(3) Real estate, building and home financing interests.

(4) Labor.

(5) Any official planning body in the locality.

(6) Church and welfare groups. [Formerly 457.100]

457.070 [Repealed by 1979 c.621 §28]

457.075 Termination of urban renewal agency. If the governing body of a municipality which has an urban renewal agency under ORS 457.035 finds that there no longer exists a need for an urban renewal agency in the municipality, the governing body shall provide, by ordinance, for a termination of the agency and a transfer of the agency's fa-

cilities, files and personnel to the municipality. The termination of an urban renewal agency shall not affect any outstanding legal actions, contracts or obligations of the agency and the municipality shall be substituted for the agency and, for the purpose of those legal actions, contracts or obligations, shall be considered a continuation of the urban renewal agency and not a new entity. No urban renewal agency shall be terminated under this section unless all indebtedness to which a portion of taxes is irrevocably pledged for payment under ORS 457.440 is fully paid. [1979 c.621 §6; 1991 c.459 §331]

457.080 [Repealed by 1979 c.621 §28]

457.085 Urban renewal plan requirements; accompanying report; contents; approval required. (1) An urban renewal agency shall provide for public involvement in all stages in the development of an urban renewal plan.

(2) An urban renewal plan proposed by an urban renewal agency shall include all of the following:

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

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

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

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

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

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

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

(h) If the plan provides for a division of ad valorem taxes under ORS 457.440, either (A) a date after which no bonded indebtedness shall be issued with respect to the plan or any project undertaken with respect to the plan or (B) the maximum amount of bonded indebtedness excluding bonded indebtedness issued to refinance or refund ex-

isting bonded indebtedness to be issued under the plan.

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

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

(B) Extending the date after which no bonded indebtedness shall be issued with respect to the plan or any project undertaken or to be undertaken under the urban renewal plan.

(C) Increasing the maximum amount of bonded indebtedness excluding bonded indebtedness issued to refinance or refund existing bonded indebtedness issued or to be issued under the urban renewal plan.

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

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

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

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

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

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

(e) The anticipated completion date for each project;

(f) The estimated amount of money required in each urban renewal area under ORS 457.420 to 457.440 and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS 457.440;

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

(h) A fiscal impact statement that estimates the impact of the tax increment financing, both until and after the bonds are repaid, upon all entities levying taxes upon property in the urban renewal area; and

(i) A relocation report which shall include:

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

(B) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 281.045 to 281.105; and

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

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

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

(6) No urban renewal plan shall be carried out until the plan has been approved by the governing body of each municipality pursuant to ORS 457.095 and 457.105. [1979 c.621 §2; 1983 c.544 §1; 1987 c.668 §1; 1987 c.447 §130; 1991 c.459 §332]

457.090 [Repealed by 1979 c.621 §28]

457.095 Approval of plan by ordinance; required contents of ordinance; notice. The governing body of the municipality, upon receipt of a proposed urban renewal plan and report from the municipality's urban renewal agency and after public notice and hearing and consideration of public testimony and planning commission recommendations, if any, may approve the urban renewal plan. The approval shall be by nonemergency ordinance which shall incorporate the plan by reference. Notice of adoption of the ordinance approving the urban renewal plan, and the provisions of ORS 457.135, shall be published by the governing body of the municipality in accordance with ORS 457.115 no later than four days following the ordinance adoption. The ordinance shall include determinations and findings by the governing body that:

- (1) Each urban renewal area is blighted;
- (2) The rehabilitation and redevelopment is necessary to protect the public health, safety or welfare of the municipality;

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

(4) Provision has been made to house displaced persons within their financial means in accordance with ORS 281.045 to 281.105 and, except in the relocation of elderly or disabled individuals, without displacing on priority lists persons already waiting for existing federally subsidized housing;

(5) If acquisition of real property is provided for, that it is necessary;

(6) Adoption and carrying out of the urban renewal plan is economically sound and feasible; and

(7) The municipality shall assume and complete any activities prescribed it by the urban renewal plan. [1979 c.621 §3; 1989 c.224 §121]

457.100 [Amended by 1979 c.621 §12; renumbered 457.065]

457.105 Approval of plan by other municipalities. In addition to the approval of a plan by the governing body of the municipality under ORS 457.095, when any portion of the area of a proposed urban renewal plan extends beyond the boundaries of the municipality into any other municipality and, in the case of a proposed plan by a county agency, when any portion of such area is within the boundaries of a city, the governing body of the other municipality may approve the plan and may do so by resolution, rather than by ordinance. A proposed plan for an urban renewal area which is wholly within the boundaries of a city, or which is wholly within the boundaries of a county and does not include any area within the boundaries of a city, must be approved only by the governing body of the municipality in accordance with ORS 457.095. [1979 c.621 §3a; 1987 c.668 §2]

457.110 [Renumbered 457.025]

457.115 Manner of newspaper notice. Notice of adoption of an urban renewal plan required under ORS 457.095 and notice of filing of an annual financial statement required under ORS 457.460 shall be published in the newspaper, as defined in ORS 193.010, having the greatest circulation in the municipality and which is published within the municipality. If no newspaper is published within the municipality, the required notice shall be published in the newspaper having greatest circulation within the municipality published nearest to the municipality. [1979 c.621 §3b]

457.120 When additional notice required; to whom sent; content; notice by

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

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

(b) Electors registered in the municipality;

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

(d) Postal patrons in the municipality.

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

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

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

(b) The adoption or amendment may impact property tax rates;

(c) States the proposed maximum amount of bonded indebtedness or the proposed date after which no new bonded indebtedness shall be issued, whichever is applicable, if the plan is new or an amendment proposes to change the date or amount;

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

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

(4) If the municipality which activated the urban renewal agency is a county:

(a) The notice required by subsection (1) of this section shall be sent to each individual or household in one of the groups listed in subsections (1)(a) to (d) of this section, except that the notice need be sent only to those individuals or households located in a school district with territory affected or to be affected by the tax increment financing for the new urban renewal area or proposed change.

(b) In addition to the notice under paragraph (a) of this subsection, the county shall

cause notice to be published in a paper of general circulation throughout the county. The published notice shall contain the information described in subsection (3) of this section, be published in an advertisement not less than three inches in height and three inches in width and be located in a general interest section of the newspaper other than the classified advertisement section. [1991 c.459 §335]

Note: 457.120 was added to and made a part of 457.010 to 457.460 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

457.125 Recording of plan upon approval. A copy of the ordinance approving an urban renewal plan under ORS 457.095 shall be sent by the governing body of the municipality to the urban renewal agency. A copy of the resolution approving an urban renewal plan under ORS 457.105 shall be sent by the governing body of a municipality to the urban renewal agency. Upon receipt of the necessary approval of each municipality governing body, the urban renewal plan shall be recorded by the urban renewal agency with the recording officer of each county in which any portion of an urban renewal area within the plan is situated. [1979 c.621 §4]

457.130 [1957 c.456 §§4,5; 1979 c.621 §13; renumbered 457.035]

457.135 Conclusive presumption of plan validity. After October 3, 1979, any urban renewal plan purported to be adopted in conformance with applicable legal requirements shall be conclusively presumed valid for all purposes 90 days after adoption of the plan by ordinance of the governing body of the municipality. No direct or collateral attack on the action may thereafter be commenced. [1979 c.621 §5]

457.140 [1957 c.456 §6; 1975 c.246 §1; 1979 c.621 §14; renumbered 457.045]

457.145 [1967 c.311 §2; repealed by 1979 c.621 §15 (457.055 enacted in lieu of 457.145)]

457.150 [1957 c.456 §8; repealed by 1979 c.621 §28]

457.160 Exception to plan requirements for disaster areas. Notwithstanding any other provisions of ORS chapters 455 and 456 or this chapter and ORS 446.515 to 446.547, where the governing body of a municipality certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm or other catastrophe respecting which the Governor has certified the need for disaster assistance under federal law, the governing body may declare a need for an urban renewal agency, if necessary, and may approve an urban renewal plan and an urban renewal project for such area without regard to the provisions requiring:

(1) That the urban renewal plan conform to the comprehensive plan and economic development plan, if any, for the municipality as a whole.

(2) That the urban renewal area be a blighted area. [1957 c.456 §15; 1979 c.621 §18; 1993 c.18 §114]

457.170 Urban renewal agency's powers in planning or undertaking an urban renewal project. An urban renewal agency may plan or undertake any urban renewal project to carry out an approved urban renewal plan. In planning or undertaking an urban renewal project, the urban renewal agency has the power:

(1) To carry out any work or undertaking and exercise any powers which a housing authority is authorized to perform or exercise under ORS 456.055 to 456.230, subject to the provisions of this chapter provided, however, that ORS 456.155 and 456.160 do not limit the power of an agency in event of a default by a purchaser or lessee of land in an urban renewal plan to acquire property and operate it free from the restrictions in those sections.

(2) To carry out any rehabilitation or conservation work in an urban renewal area.

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

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

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

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

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

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

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

(10) To accomplish a combination of the things listed in this section to carry out an urban renewal plan. [1957 c.456 §7; 1969 c.225 §2; 1969 c.539 §1; 1979 c.621 §19]

457.180 Powers of urban renewal agencies in general. An urban renewal agency, in addition to its other powers, may:

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

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

(a) The use of land.

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

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

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

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

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

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

(7) Engage in any other housing or community development activities specifically delegated to it by the governing body of the municipality including but not limited to land acquisition and disposition, conservation and rehabilitation, residential or business relocation, construction, leasing or management of housing, and the making of grants and loans from any available source. [1957 c.456 §10; 1975 c.382 §1]

457.190 Acquisition of funds by urban renewal agency; limitations. (1) An urban renewal agency may borrow money and accept advances, loans, grants and any other form of financial assistance from the Federal Government, the state, county or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out urban renewal projects.

(2) An urban renewal agency may do all things necessary or desirable to secure such financial aid, including obligating itself in any contract with the Federal Government for federal financial aid to convey to the Federal Government the project to which the contract relates upon the occurrence of a substantial default thereunder, in the same manner as a housing authority may do to secure such aid in connection with slum

clearance and housing projects under the Housing Authorities Law.

(3) Notwithstanding subsection (1) of this section, on or after September 29, 1991, no urban renewal agency may issue bonded indebtedness for which taxes divided under ORS 457.440 are to be pledged, unless the urban renewal plan for which the bonded indebtedness is to be issued either established:

(a) A date after which no bonded indebtedness shall be issued under the plan and under any and all projects undertaken with respect to the plan; or

(b) A maximum amount of bonded indebtedness excluding bonded indebtedness issued to refinance or refund existing bonded indebtedness that may be issued under the plan. [1957 c.456 §14; 1991 c.459 §333]

Note: Section 335e, chapter 459, Oregon Laws 1991, provides:

Sec. 335e. Bonded indebtedness if project agreed to prior to September 29, 1991. Notwithstanding ORS 457.190 (3), an urban renewal agency may issue bonded indebtedness to undertake an urban renewal project to carry out an urban renewal plan if, prior to the effective date of this 1991 Act [September 29, 1991], a written contract or other written agreement for the project was made, the instrument setting forth the contract or agreement was executed and the parties were bound. The urban renewal agency of the municipality may use any of the money available to it from the issuance of the bonds for carrying out the project in accordance with the contract or agreement. [1991 c.459 §335e]

457.210 Applicability of housing cooperation law to urban renewal projects; delegation of powers and functions. (1) Any state public body, as defined in ORS 456.305, shall have the same rights and powers to cooperate with and assist urban renewal agencies with respect to urban renewal projects that such state public body has pursuant to ORS 456.305 to 456.325 to cooperate and assist housing authorities with respect to housing projects in the same manner as though those sections were applicable to urban renewal agencies and projects under this chapter.

(2) Any state public body, as defined in ORS 456.305, hereby is authorized to enter into agreements with any other public body, including an urban renewal agency, respecting action to be taken pursuant to any of the powers granted by this chapter, including, but not limited to, the furnishing of funds or other assistance in connection with an urban renewal plan or urban renewal project.

(3) An urban renewal agency hereby is authorized to delegate any of its powers or functions to the municipality or other state public body, as defined in ORS 456.305, with respect to the planning or undertaking of an urban renewal project in the area in which such municipality or other state public body

is authorized to act. The municipality, or other state public body to which the powers or functions are delegated hereby is authorized to carry out or perform such powers or functions. [1957 c.456 §11]

457.220 Plan amendment; limit on additional land. (1) Except for the provisions of subsection (2) of this section, an urban renewal agency shall carry out the urban renewal plan approved under ORS 457.095.

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

(3) No land equal to more than 20 percent of the total land area of the original plan shall be added to the urban renewal areas of a plan by amendments. [1957 c.456 §9; 1979 c.621 §20]

457.230 Disposition of land in urban renewal project; determination of value; obligations of purchaser or lessee; recodation. (1) The urban renewal agency shall, in accordance with the approved urban renewal plan, make land in an urban renewal project available for use by private enterprise or public agencies. Such land shall be made available at a value determined by the urban renewal agency to be its fair reuse value, which represents the value, whether expressed in terms of rental or capital price, at which the urban renewal agency in its discretion determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved or rehabilitated for the purposes specified in such plan.

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

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

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

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

(4) Any contract for the transfer of any interest in land by the urban renewal agency may be recorded in the land records of the county in which the land is situated in the same manner as any other contract for the transfer of an interest in land is recorded. [1957 c.456 §12; 1965 c.571 §1; 1967 c.312 §1]

457.240 Tax status of land leased under an urban renewal plan. Any property

which the urban renewal agency leases to private persons as defined in ORS 174.100 under an urban renewal plan shall have the same tax status as if such leased property were owned by such private individuals or corporations. [1957 c.456 §13; 1983 c.327 §11]

457.310 [1957 c.456 §16; repealed by 1979 c.621 §28]

457.320 Municipal assistance under plan; assumption by agency of general obligation bond payments of municipality. In addition to the other powers granted a municipality under this chapter, a municipality may exercise any of its powers otherwise provided by law to assist in the planning or the carrying out of an urban renewal plan. Without limiting the powers granted by the preceding sentence, a municipality may issue its general obligation bonds for the purpose of assisting in the planning or the carrying out of an urban renewal plan. The urban renewal agency of the municipality may assume payment of the general obligation bonds and may use any of the moneys available to it for that purpose. [1957 c.456 §17; 1979 c.621 §21]

TAX INCREMENT FINANCING OF URBAN RENEWAL INDEBTEDNESS

457.410 [1961 c.554 §2; repealed by 1979 c.621 §28]

457.420 Plan may provide for division of property taxes; limits on land area. (1) Any urban renewal plan may contain a provision that the ad valorem taxes, if any, levied by a taxing district in which all or a portion of an urban renewal area is located, shall be divided by rates as provided in section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Ad valorem taxes shall not be divided if there is no provision in the urban renewal plan for the division.

(2) No plan adopted after October 3, 1979, shall provide for a division of ad valorem taxes under subsection (1) of this section if:

(a) For municipalities having a population of more than 50,000, according to the latest state census:

(A) The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided exceeds a figure equal to 15 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas; or

(B) The urban renewal areas of the plan when added to the areas included in other urban renewal plans of the municipality providing for a division of ad valorem taxes, exceed a figure equal to 15 percent of the total land area of that municipality.

(b) For municipalities having a population of less than 50,000, according to the latest state census:

(A) The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided exceeds a figure equal to 25 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas; or

(B) The urban renewal areas of the plan, when added to the areas included in other urban renewal plans of the municipality providing for a division of ad valorem taxes, exceed a figure equal to 25 percent of the total land area of that municipality.

(3) Property may not be included in more than one urban renewal area. [1961 c.554 §3; 1969 c.539 §2; 1971 c.544 §4; 1979 c.621 §24; 1991 c.459 §334]

457.430 Certification of assessed value of property in urban renewal area; amendment. (1) As soon as practicable after the approval of a plan containing a provision authorized by ORS 457.420, the county assessor of each county in which an urban renewal area is located shall prepare, in duplicate, a certified statement of the total assessed value, as shown on the county assessment roll last certified prior to the effective date of the ordinance approving the plan, of all of the taxable real and personal property contained in the urban renewal area in the county.

(2) Wherever only a part of an urban renewal area is located in a taxing district, the assessor also shall show in the statement required by subsection (1) of this section the assessed value of the real and personal property in the part of the urban renewal area located in the taxing district.

(3) One copy of the certified statement shall be filed by the assessor with the agency and the other copy shall constitute a part of the public records of the county assessor's office.

(4) Whenever a part of an urban renewal area comes within the territory of a taxing district either by annexation, incorporation of a new taxing district or consolidation, after the approval of a plan containing a provision authorized by ORS 457.420, the county assessor shall in the same manner as under subsection (3) of this section file a certified statement or an amendment to a certified statement to show the assessed value of the real and personal property in that part of the urban renewal area incorporated by annexation or consolidation into the taxing district. The assessed value of the real and

personal property so incorporated shall be determined in the same manner and as of the same date as provided in subsections (1) and (2) of this section.

(5) When a certified statement is filed as required by subsection (1) of this section, if the law provides a percentage reduction or increase of the valuation for tax purposes of the taxable property contained in the urban renewal area at the time of the filing, the assessor shall state the total assessed value as it is so reduced or increased. After a certified statement has been filed as required by subsection (1) of this section, if a law is enacted which provides a percentage reduction or increase of the valuation for tax purposes of the taxable property contained in the urban renewal area at the time the certified statement was filed, the assessor shall amend the certified statement annually or as otherwise required to reduce or increase the stated total assessed value of the real and personal property accordingly. An amendment to the certified statement shall be filed in the manner provided by subsections (3) and (4) of this section.

(6) All certified statements and amendments thereto filed under this section before September 29, 1991, shall continue to remain in effect. The total true cash value contained in those certified statements shall constitute the total assessed value for purposes of this section. [1961 c.554 §4; 1969 c.539 §3; 1979 c.621 §25; 1981 c.804 §105; 1983 s.s. c.5 §24; 1991 c.459 §335]

457.440 Computation of urban renewal tax rate. During the period specified under ORS 457.450:

(1) The county assessor shall determine the amount of funds to be raised each year for urban renewal within the county by dividing the ad valorem taxes levied by taxing districts in accordance with section 1c, Article IX of the Oregon Constitution, ORS 457.420 and this section.

(2) Not later than July 15 of each tax year, each urban renewal agency shall determine and certify to the county assessor the following:

(a) The amount of funds to be raised each year for the purpose of paying principal and interest on bonded indebtedness from each urban renewal area through the division of taxes that are not subject to the limits of section 11b, Article XI of the Oregon Constitution.

(b) If the municipality that activated the urban renewal agency has limited the funds to be received by the agency under subsection (3) of this section, the amount of funds to be raised each year for the purpose of paying other indebtedness from each urban renewal area through the division of

taxes that are subject to the limits of section 11b, Article XI of the Oregon Constitution.

(c) If the municipality that activated the urban renewal agency has not limited the funds to be received by the agency under subsection (3) of this section, a statement that the maximum amount of funds that may be raised by dividing the ad valorem taxes levied by taxing districts under this section shall be raised.

(3) The amounts certified under subsection (2)(b) of this section may be limited by the municipality in which the urban renewal agency is located. The decision of the municipality to limit the amount of funds to be certified shall be reflected in the certified statement filed by the urban renewal agency with the county assessor.

(4) Not later than September 25 of each tax year, the assessor of any county in which a joint district is located shall provide, to the assessor of each other county in which the joint district is located, the assessed values of the property in the joint district that is located within the county, including the certified statement value and the increment for any urban renewal area located within the joint district, and a copy of the certificate filed by the urban renewal agency for the area located within the joint district under subsection (2) of this section.

(5)(a) The county assessor shall compute the tax rate for each taxing district in which all or part of an urban renewal area is located in the manner provided by ORS 310.090, except that assessed value to be divided into the total amount of money proposed to be raised by the taxing district shall not include the increment for the taxing district.

(b) The assessor shall determine the amount of taxes that would be produced by extending the tax rate computed under paragraph (a) of this subsection against the increment of each taxing district.

(6) For each taxing district, the assessor shall divide and attribute the tax rate determined under subsection (5)(a) of this section between the taxing district and each urban renewal area of the urban renewal agency and shall calculate, extend and, subject to section 11b, Article XI of the Oregon Constitution, collect amounts as follows:

(a) The assessor shall calculate the urban renewal rates by dividing the amount determined under subsection (5)(b) of this section attributable to the agency by the assessed value of the shared property of the taxing district and the urban renewal agency.

(b) The portion of each urban renewal rate determined by multiplying that urban renewal rate by the ratio, not greater than

one, of the amount certified under subsection (2)(a) of this section for the urban renewal area to the total amounts determined in subsection (5)(b) of this section for the area shall be extended against the shared property of the taxing district and the urban renewal agency. Any amounts collected pursuant to this portion of the urban renewal rate shall be paid into a special fund of the urban renewal agency and shall be used to pay the principal and interest on bonded indebtedness incurred by the agency to finance or refinance the urban renewal plan for the area.

(c) Any portion of each urban renewal rate not extended under paragraph (b) of this subsection shall be extended against the shared property of the taxing district and the urban renewal agency. However, if a municipality has limited the funds to be received by an urban renewal area under subsection (3) of this section, the rate for the area shall not exceed the rate determined by multiplying the urban renewal rate by the ratio of the amount certified under subsection (2)(b) of this section to the total amounts determined in subsection (5)(b) of this section for the area. Any amounts collected pursuant to this portion of the urban renewal rate shall be paid into a special fund of the urban renewal agency and shall be used to pay the principal and interest of any indebtedness incurred by the agency to finance or refinance the urban renewal plan of the area.

(d) Any remaining portion of the urban renewal rate shall not be extended against the shared property of the taxing district and the urban renewal agency.

(e) The portion of the rate determined under subsection (5)(a) of this section after subtracting the urban renewal rate shall be extended against the shared property of the taxing district and the urban renewal agency. Any amounts collected pursuant to this portion of the taxing district rate shall be distributed to the taxing district.

(f) The entire rate determined under subsection (5)(a) of this section shall be extended against the property of the taxing district that is not shared property of the taxing district and any urban renewal agency. Any amounts collected pursuant to this rate shall be distributed to the taxing district.

(7) Any amount collected for an urban renewal agency pursuant to this section shall be deposited into the unsegregated tax collections account and distributed to the urban renewal agency based upon the distribution schedule established under ORS 311.390.

(8) Unless and until the total assessed value of the taxable property in an urban

renewal area exceeds the total assessed value specified in the certified statement, all of the ad valorem taxes levied and collected upon the taxable property in such urban renewal area shall be paid into the funds of the respective taxing districts.

(9) The agency may incur indebtedness, including obtaining loans and advances in carrying out the urban renewal plan, and the portion of taxes received under this section may be irrevocably pledged for the payment of principal of and interest on such indebtedness.

(10) The department shall by rule establish procedures for certification of amounts to be raised, calculation of rates and determination of amounts to be raised and distributed under this section. [1961 c.554 §5; 1979 c.621 §26; 1981 c.804 §106; 1983 s.s. c.5 §25; 1985 c.613 §17; 1987 c.158 §87; 1991 c.459 §335a]

457.450 Notice to tax assessor; provision for debt retirement; distribution of remaining tax increment funds. (1)(a) ORS 457.440 shall first apply to the assessment roll next following the tax roll referred to in ORS 457.430 if the assessor is provided notice of a plan adoption or amendment changing area boundaries by the agency prior to January 1 before the tax year to which the plan first applies.

(b) If the assessor is not provided notice of plan adoption or amendment changing area boundaries by the agency prior to January 1 before the tax year to which ORS 457.440 would otherwise first apply, then ORS 457.440 shall first apply to the assessment roll next following the assessment roll described in paragraph (a) of this subsection.

(2) When the principal and interest on indebtedness to which the portion of taxes is irrevocably pledged for payment under ORS 457.440 is fully paid, or it is found that deposits in the special fund are sufficient to fully pay principal and interest on that indebtedness either through direct payment of the indebtedness or by payment of principal and interest on bonds or notes issued to finance the indebtedness, the agency shall notify the assessor of that fact and for the tax year for which the notice is received and each year thereafter the county assessor shall compute the rate percent of the levy for each taxing district in which an urban renewal area, or part thereof, is located without regard to the limitations provided in ORS 457.440.

(3) All moneys remaining unexpended from the special fund provided for in ORS

457.440, after payment of all the principal and interest on indebtedness is provided for, shall be turned over to the county treasurer by the agency and prorated by the treasurer back to the taxing districts in which the area, or part thereof, is located, in proportion to the amount of money in the fund attributable to each taxing district for the last fiscal year in which tax levy moneys were paid into the special fund of the agency under ORS 457.440. [1961 c.554 §6; 1971 c.426 §1; 1979 c.621 §27; 1991 c.459 §335b]

457.460 Financial report required for agency; contents; notice. (1) An agency shall, by August 1 of each year, prepare a statement containing:

(a) The amount of money actually received during the preceding fiscal year under ORS 457.440 and from indebtedness incurred under ORS 457.440;

(b) The purposes and amounts for which any money received under ORS 457.440 and from indebtedness incurred under ORS 457.440 were expended during the preceding fiscal year;

(c) An estimate of moneys to be received during the current fiscal year under ORS 457.440 and from indebtedness incurred under ORS 457.440;

(d) A budget setting forth the purposes and estimated amounts for which the moneys which have been or will be received under ORS 457.440 and from indebtedness incurred under ORS 457.440 are to be expended during the current fiscal year; and

(e) An analysis of the impact, if any, of carrying out the urban renewal plan on the tax rate for the preceding year for all taxing districts included under ORS 457.430.

(2) The statement required by subsection (1) of this section shall be filed with the governing body of the municipality. Notice shall be published that the statement has been prepared and is on file with the municipality and the agency and the information contained in the statement is available to all interested persons. The notice shall be published once a week for not less than two successive weeks before September 1 of the year for which the statement is required in accordance with ORS 457.115. The notice shall summarize the information required under subsection (1)(a) to (d) of this section and shall set forth in full the information required under subsection (1)(e) of this section. [1979 c.621 §23; 1991 c.459 §335c]

