75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE

MEASURE: HB 2809 A
CARRIER: Rep. Huffman

REVENUE: Yes – Revenue Impact Issued
FISCAL: Minimal Fiscal Impact, no statement issued

Action:	Do Pass as Amended and be Printed A-Eng.	
Vote:	10-0-0	
	Yeas:	Bailey, Bentz, Berger, Bruun, Gelser, Kahl, Read, Riley, Sprenger, Barnhart
	Nays:	0
	Exc.:	0
Prepared By:		Dae Baek, Economist
Meeting Dates:		4/2, 4/24

WHAT THE BILL DOES: Allows certain municipalities to irrevocably convert an urban renewal plan from a standard property tax rate plan to a reduced property tax rate plan for consolidated billing rate purposes. Takes effect on passage.

ISSUES DISCUSSED:

- Urban renewal funding under standard vs. reduced rate plan
- Local control of decision-making process

EFFECT OF COMMITTEE AMENDMENTS: Declares an emergency and makes the bill effective on its passage.

BACKGROUND: This bill offers an option for municipalities to convert an urban renewal plan from a standard property tax rate plan to a reduced property tax rate plan for consolidated billing rate purposes. Consolidated billing rate is the sum of the billing rates of all taxing districts that impose taxes in a given code area.

The amount of property taxes an urban renewal plan receives is calculated by the county assessor by applying the consolidated billing rate to the growth in assessed value in the urban renewal area (excess value). There are two different ways to define the consolidated billing rate (ORS 457.010(4)) - (1) a standard rate plan includes property tax rates for general obligation bonds and local option levies approved by voters after October 6, 2001, and (2) a reduced rate plan excludes such tax rates. Currently two municipalities, the City of The Dalles and the City of Lake Oswego, are under a standard rate plan.

When a municipality with a standard rate plan opts to convert to a reduced rate plan, the consolidated billing rate will either go down or stay the same depending on whether the municipality approved general obligation bonds and/or local option levies after October 6, 2001. For example, in case of the City of The Dalles Columbia Gateway Urban Renewal Plan, a bond levy was approved for Columbia Gorge Community College and the FY 2007-08 rate for that bond was $0.4022 per $1,000 assessed value. If the City opts to convert to a reduced rate plan, this bond rate will not be used for the urban renewal plan and the taxpayers are expected to save about $22,700 a year based on the excess value of $56,349,803.

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