75th OREGON LEGISLATIVE ASSEMBLY - 2009 Regular Session **MEASURE: HB 3056A**
STAFF MEASURE SUMMARY **CARRIER: Rep. Kahl**
House Committee on Sustainability & Economic Development

REVENUE: No revenue impact
FISCAL: Minimal fiscal impact, no statement issued

Action:		Do Pass as Amended and Be Printed Engrossed
Vote:		8 - 0 - 0
	Yeas:	Bailey, Bentz, Galizio, Gilliam, Holvey, Thatcher, Witt, Read
	Nays:	0
	Exc.:	0
Prepared By:		Barbara Allen, Administrator
Meeting Dates:		4/14, 4/28

WHAT THE MEASURE DOES: Amends statutes relating to urban renewal plans and their maximum amount of indebtedness that may be issued or incurred under a plan. Establishes indexed levels of maximum indebtedness that may not be exceeded for urban renewal plans. Requires concurrence of overlapping taxing jurisdictions for substantial plan amendments that increase maximum indebtedness by more than 20 percent of the plan's initial maximum indebtedness. Establishes a mechanism for an urban renewal agency to have the assessor re-compute the division of taxes based on the performance of the plan and the life of the plan. For a large metropolitan district, the measure adjusts the timing and performance measures for the re-computation of the division of taxes. Grandfathers a pending plan amendment in Portland. Declares an emergency, takes effect upon passage.

ISSUES DISCUSSED:
- Association of Oregon Redevelopment Agencies' (AORA) work on the initial measure and subsequent amendments
- Proposed significant amendments, including a limit on maximum indebtedness depending on the size of the redevelopment district, limits on development plan amendments by overlapping taxing districts and the sharing of assessed value of overlapping taxing districts

EFFECT OF COMMITTEE AMENDMENT: Replaces the measure.

BACKGROUND: Cities and counties create urban renewal agencies which use tax increment financing (TIF) to improve blighted areas. TIF freezes the assessed value thereby freezing the revenue for all property tax-funded local governments and uses the incremental gain in assessed value to finance plan-specified improvements. In theory, improvements in public infrastructure entice private investment which raises area property values so when the debt is retired, assessed value for the area is greater than had urban renewal not been used.

Currently, while urban renewal agencies are required to consult and confer with overlapping taxing districts on matters relating to plan adoption and plan amendments, there is no requirement for concurrence. Also, there are no restrictions on maximum indebtedness (either at plan inception or at the time of a plan amendment), there are no limitations on the length of the plan, and there is no mechanism by which revenue can be returned to the overlapping taxing districts until the plan and any amendments are completed.

HB 3056A establishes a formula for maximum indebtedness, a mechanism which returns value to overlapping taxing districts during the life of the plan, and places restrictions on plan amendments which increase maximum indebtedness.