Senate Bill 85

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Authorizes local governments to implement programs to make loans or facilitate private financing of seismic rehabilitation of multifamily residential dwellings or commercial or industrial buildings by property owners. Prohibits local government from entering into loan agreement or facilitating financing agreement under program unless owner of qualifying real property receives written consent from mortgagees.

Declares emergency, effective on passage.

1 ## A BILL FOR AN ACT

2 Relating to financing improvements for seismic rehabilitation; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4   **SECTION 1. (1) As used in this section:**

5   **(a) "Local government" means cities and counties.**

6   **(b) "Qualifying real property" means multifamily residential dwellings or commercial or**

7 **industrial buildings that the local government has determined can be benefited by seismic**

8 **rehabilitation.**

9   **(c) "Seismic rehabilitation" means improvements to qualifying real property that are:**

10   **(A) Intended to reduce or prevent harm to persons and property due to the effects of**

11 **seismic activity on the qualifying real property; and**

12   **(B) Authorized by a local government implementing a program established under this**

13 **section.**

14   **(2)(a) A local government may establish a program to assist owners of record of quali-**

15 **fying real property in financing cost-effective seismic rehabilitation of the qualifying real**

16 **property.**

17   **(b) A program established pursuant to this subsection may provide for the local govern-**

18 **ment to:**

19   **(A) Make loans to owners financed with the net proceeds and interest earnings of re-**

20 **venue bonds authorized by subsection (8) of this section;**

21   **(B) Facilitate private financing by the owners; or**

22   **(C) Make loans under subparagraph (A) of this paragraph and facilitate private financing**

23 **under subparagraph (B) of this paragraph.**

24   **(3) A local government that establishes a program under this section may:**

25   **(a) Impose requirements intended to ensure that the loan or financing is consistent with**

26 **the purposes of the program; and**

27   **(b) Impose requirements and conditions on loans or financing agreements that are de-**

28 **signed to ensure timely repayment.**

1   (4)(a) If the owner of record of qualifying real property requests financing pursuant to a
2   program established under this section, subject to subsection (5) of this section, the local
3   government implementing the program may:

4   (A) Enter into a loan agreement with the owner and any other person benefited by the
5   loan; or

6   (B) Facilitate a financing agreement for the owner and any other person benefited by the
7   financing agreement.

8   (b) A local government acting pursuant to paragraph (a) of this subsection may:

9   (A) If the local government makes a loan, charge the borrower an interest rate on the
10   principal amount that is sufficient to pay the financing costs of the loan program, including
11   loan delinquencies; and

12   (B) Charge periodic fees to pay for program costs.

13   (5) A local government may not enter into a loan agreement, or facilitate a financing
14   agreement, under subsection (4) of this section unless the owner has:

15   (a) Provided written notice to all mortgagees of the qualifying real property that the
16   owner intends to enter into a loan agreement or financing agreement under this section; and

17   (b) Received written consent from the mortgagees stating that the loan agreement or
18   financing agreement entered into under this section does not constitute an event of default
19   or give rise to any remedies under the terms of the mortgage loan agreements.

20   (6) The local government implementing a program established under this section may:

21   (a) Secure a loan or financing with a lien on the benefited qualifying real property in the
22   manner and with the same priority as a lien for assessments for local improvements au-
23   thorized by ORS 223.393.

24   (b) Assess the benefited qualifying real property for the amounts due under a loan
25   agreement or financing agreement.

26   (c) Enforce a lien and collect an assessment authorized under this section as provided in
27   ORS 223.505 to 223.650.

28   (d) Secure a loan or financing in any other manner that the local government determines
29   is reasonable.

30   (7)(a) In lieu of enforcing liens and collecting assessments as provided in subsection (6)
31   of this section, a local government may certify the assessment, in the manner provided in
32   ORS 310.060, to the county assessor of each county in which benefited qualifying real prop-
33   erty is located.

34   (b) If the assessments are certified as provided in this subsection, the county assessor
35   shall:

36   (A) Enter the assessment upon the county assessment roll against the property described
37   in the certificate, in the manner that other local government assessments are entered;

38   (B) Collect, account for and enforce the assessments in the manner that local govern-
39   ment taxes are collected, accounted for and enforced; and

40   (C) Transfer, as provided by law, the assessments collected to the local government that
41   imposed the assessment.

42   (8) A local government may issue revenue bonds pursuant to ORS 287A.150 to finance the
43   costs of a program established under this section, including the costs of making loans for
44   seismic rehabilitation.

45   SECTION 2. This 2015 Act being necessary for the immediate preservation of the public

1 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**

2 **on its passage.**

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