

B-Engrossed
House Bill 3357

Ordered by the House June 15
Including House Amendments dated April 20 and June 15

Sponsored by Representative KENY-GUYER; Representatives MEEK, SANCHEZ, Senators BOQUIST, DEMBROW, MANNING JR, STEINER HAYWARD

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.

Increases amount of fees charged and collected by county clerks to record or file certain real property documents. Directs transfer of increased fees to Housing and Community Services Department accounts for housing-related programs. **Exempts county tax collectors from paying certain fee.** Requires that moneys deposited in Housing and Community Services Department accounts be used for purposes related to affordable housing.

A BILL FOR AN ACT

1
2 Relating to document fee increases to provide affordable housing; creating new provisions; amending
3 ORS 205.323, 306.815, 458.610, 458.650, 458.655 and 458.665; and providing for revenue raising
4 that requires approval by a three-fifths majority.

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

6 **SECTION 1.** ORS 205.323 is amended to read:

7 205.323. (1) In addition to and not in lieu of the fees charged and collected under ORS 205.320
8 and other fees, the county clerk shall charge and collect the following fees for the recording or fil-
9 ing of any instrument described in ORS 205.130:

- 10 (a) A fee of \$1, to be credited as provided in subsection (4)(a) of this section;
11 (b) A fee of \$10, to be credited as provided in subsection (4)(b) of this section; and
12 (c) A fee of [~~\$20~~] **\$40**, to be credited as provided in subsection (4)(c) of this section.

13 (2) Subsection (1) of this section does not apply to the recording or filing of the following:

14 (a) Instruments that are otherwise exempt from recording or filing fees under any provision of
15 law;

16 (b) Any satisfaction of judgment or certificate of satisfaction of judgment; or

17 (c) Internal county government instruments not otherwise charged a recording or filing fee.

18 (3) Subsection (1)(c) of this section does not apply to the recording or filing of:

19 (a) Instruments required under ORS 517.210 to maintain mining claims;

20 (b) Warrants issued by the Employment Department pursuant to ORS 657.396, 657.642 and
21 657.646; or

22 (c) A certified copy of a judgment, a lien record abstract as described in ORS 18.170 or a sat-
23 isfaction of a judgment, including a judgment noticed by recordation of a lien record abstract.

24 (4) Of the amounts charged and collected under this section:

25 (a) The recording or filing fee charged and collected under subsection (1)(a) of this section must
26 be deposited and credited to the Oregon Land Information System Fund established under ORS

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 306.132.

2 (b) The recording or filing fee charged and collected under subsection (1)(b) of this section shall
3 be credited as follows:

4 (A) Five percent of the fee must be credited for the benefit of the county;

5 (B) Five percent of the fee must be credited for the benefit of the county clerk for the purposes
6 described in ORS 205.320 (2); and

7 (C) 90 percent of the fee must be credited to and deposited in the County Assessment and Tax-
8 ation Fund created under ORS 294.187.

9 (c) The recording or filing fee charged and collected under subsection (1)(c) of this section must
10 be credited to and deposited in the County Assessment and Taxation Fund created under ORS
11 294.187.

12 (5) The Department of Revenue *[is]* **and county tax collectors are** exempt from paying the fee
13 under subsection (1)(c) of this section.

14 **SECTION 2.** ORS 458.610 is amended to read:

15 458.610. For purposes of ORS 458.600 to 458.665:

16 (1) **“Affordable housing” means housing that is affordable to individuals of low income**
17 **or very low income.**

18 [(1)] (2) **“Council”** means the Oregon Housing Stability Council established in ORS 456.567.

19 [(2)] (3) **“Department”** means the Housing and Community Services Department established in
20 ORS 456.555.

21 [(3)] (4) **“Low income”** means income that is more than 50 percent and not more than 80 percent
22 of the median family income for the area, subject to adjustment for areas with unusually high or low
23 incomes or housing costs, all as determined by the council based on information from the United
24 States Department of Housing and Urban Development.

25 [(4)] (5) **“Minority”** means an individual:

26 (a) Who has origins in one of the black racial groups of Africa but who is not Hispanic;

27 (b) Who is of Hispanic culture or origin;

28 (c) Who has origins in any of the original peoples of the Far East, Southeast Asia, the Indian
29 subcontinent or the Pacific Islands; or

30 (d) Who is an American Indian or Alaskan Native having origins in one of the original peoples
31 of North America.

32 [(5)] (6) **“Organization”** means a:

33 (a) Nonprofit corporation established under ORS chapter 65;

34 (b) Housing authority established under ORS 456.055 to 456.235; or

35 (c) Local government as defined in ORS 197.015.

36 [(6)] (7) **“Persons with disabilities”** means persons with handicaps described in 42 U.S.C. 3602(h).

37 [(7)] (8) **“Very low income”** means income that is 50 percent or less of the median family income
38 for the area, subject to adjustment for areas with unusually high or low incomes or housing costs,
39 all as determined by the council based on information from the United States Department of Housing
40 and Urban Development.

41 [(8)] (9) **“Veteran”** has the meaning given that term in ORS 408.225.

42 **SECTION 3.** ORS 458.650 is amended to read:

43 458.650. (1) The Emergency Housing Account shall be administered by the Housing and Com-
44 munity Services Department to assist homeless persons and those persons who are at risk of be-
45 coming homeless **in attaining affordable housing**. An amount equal to 25 percent of moneys

1 deposited in the account pursuant to ORS 294.187 is dedicated for expenditure for assistance to
2 veterans who are homeless or at risk of becoming homeless. For purposes of this section,
3 “account” means the Emergency Housing Account.

4 (2) The Oregon Housing Stability Council shall develop policy for awarding grants to organiza-
5 tions that shall use the funds to provide to low and very low income persons, including but not
6 limited to[,] persons more than 65 years of age, persons with disabilities, farmworkers and Native
7 Americans:

8 (a) Emergency shelters and attendant services;

9 (b) Transitional housing services designed to assist persons to make the transition from
10 homelessness to permanent housing and economic independence;

11 (c) Supportive housing services to enable persons to continue living in their own homes or to
12 provide in-home services for such persons for whom suitable programs do not exist in their ge-
13 ographic area;

14 (d) Programs that provide emergency payment of home payments, rents or utilities; or

15 (e) Some or all of the needs described in paragraphs (a) to (d) of this subsection.

16 (3)(a) The council shall require as a condition of awarding a grant that the organization dem-
17 onstrate to the satisfaction of the council that the organization has the capacity to deliver any
18 service proposed by the organization.

19 (b) Any funds granted under this section shall not be used to replace existing funds. Funds
20 granted under this section may be used to supplement existing funds. An organization may use funds
21 to support existing programs or to establish new programs.

22 (c) The council, by policy, shall give preference in granting funds to those organizations that
23 coordinate services with those programs established under ORS 458.625.

24 (4) The department may expend funds from the account for administration of the account as
25 provided for in the legislatively approved budget, as that term is defined in ORS 291.002, for the
26 department.

27 **SECTION 4.** ORS 458.655 is amended to read:

28 458.655. (1) The Home Ownership Assistance Account shall be administered by the Housing and
29 Community Services Department to expand this state’s supply of homeownership housing for, **and**
30 **affordable housing for purchase by**, low and very low income families and individuals, including,
31 but not limited to, persons over 65 years of age, persons with disabilities, minorities, veterans and
32 farmworkers. An amount equal to 25 percent of moneys deposited in the account pursuant to ORS
33 294.187 is dedicated for expenditure to expand this state’s supply of homeownership housing for low
34 and very low income veterans and families of veterans. The Oregon Housing Stability Council shall
35 have a policy of distributing funds statewide while concentrating funds in those areas of this state
36 with the greatest need, as determined by the council, for low and very low income homeownership
37 housing. However, the council’s policy of distributing funds may differ from the distribution policy
38 for the Housing Development and Guarantee Account.

39 (2) Funds in the Home Ownership Assistance Account shall be granted to organizations that
40 both sponsor and manage low income homeownership programs, including lease-to-own programs, for
41 the construction of new homeownership housing or for the acquisition or rehabilitation of existing
42 structures for homeownership housing for persons of low or very low income, or both.

43 (3) The council shall develop a policy for disbursing grants for any or all of the following pur-
44 poses:

45 (a) To aid low income homeownership programs, including program administration, in purchas-

1 ing land, providing assistance with down payment costs, or providing homeownership training and
2 qualification services or any combination thereof. Funds in the Home Ownership Assistance Account
3 may not be used by an organization to pay for its general operations or to pay for more than 25
4 percent of construction or rehabilitation costs.

5 (b) To match public and private moneys available from other sources for purposes of the pro-
6 vision of low or very low income homeownership housing.

7 (c) To administer the Home Ownership Assistance Account as provided for in the legislatively
8 approved budget, as that term is defined in ORS 291.002, for the department.

9 (4) The council, in developing policy under subsection (3) of this section, shall give preference
10 in making grants to those entities that propose to:

11 (a) Provide the greatest number of low and very low income homeownership housing units con-
12 structed, acquired or rehabilitated for the amount of account money expended by matching account
13 funds with other grant, loan or eligible in-kind contributions;

14 (b) Ensure the longest use for the units as low or very low income homeownership housing units,
15 such as by including some form of equity recapture, land trust or shared equity provisions, as de-
16 termined by the council;

17 (c) Include social services for occupants and proposed occupants of the proposed housing, in-
18 cluding but not limited to[,] programs that address home health care, mental health care, alcohol
19 and drug treatment and post-treatment care, child care, homeownership training, mortgage quali-
20 fication service, credit repair and case management; and

21 (d) Support a comprehensive strategy to reverse the decreasing rates of homeownership among
22 minorities, giving priority to activities that support adopted comprehensive community plans that
23 incorporate recognized best practices or demonstrate proven success in increasing homeownership
24 for minorities.

25 **SECTION 5.** ORS 458.665 is amended to read:

26 458.665. (1) The Housing and Community Services Department shall administer the General
27 Housing Account.

28 (2) The department shall disburse moneys credited to the account to **provide affordable hous-**
29 **ing and to** accomplish the purposes described in ORS 456.515 to 456.725, except that 25 percent of
30 moneys deposited in the account pursuant to ORS 294.187 is dedicated for expenditure to meet the
31 critical housing needs of veterans in this state.

32 (3) The department may disburse moneys in the account by contract, grant, loan or otherwise
33 as the department determines necessary.

34 (4) The department may set interest rates on loans made with moneys in the account.

35 (5) The department shall establish guidelines for the types of loans financed with moneys in the
36 account by rule.

37 (6) The department may use moneys in the account to pay allowable administrative expenses
38 incurred under ORS 456.515 to 456.725.

39 (7) The department may, in the director's discretion, return moneys received for deposit in the
40 account to the original source of the moneys.

41 (8) The department may accept moneys for deposit in the account pursuant to ORS 458.620 (4)
42 and enter into agreements regarding the use of moneys deposited with the original source of the
43 moneys.

44 (9) The department shall adopt rules that:

45 (a) Subject to subsection (2) of this section, govern the allocation of moneys deposited in the

1 account to best meet critical housing needs and build organizational capacity of partners throughout
2 this state; and

3 (b) Consistent with subsection (10) of this section, require equitable distribution of resources
4 over time based on objective measures of need, including the number and percentage of low and very
5 low income households in an area.

6 (10) The Oregon Housing Stability Council shall adopt a policy that provides for distribution by
7 the department of account moneys and account investment revenue statewide while concentrating
8 account moneys and account investment revenue in those areas of this state with the greatest need,
9 as determined by the council, for housing for persons with a low or very low income.

10 **SECTION 6.** ORS 306.815 is amended to read:

11 306.815. (1) A city, county, district or other political subdivision or municipal corporation of this
12 state shall not impose, by ordinance or other law, a tax or fee upon the transfer of a fee estate in
13 real property, or measured by the consideration paid or received upon transfer of a fee estate in real
14 property.

15 (2) A tax or fee upon the transfer of a fee estate in real property does not include any fee or
16 charge that becomes due or payable at the time of transfer of a fee estate in real property, unless
17 that fee or charge is imposed upon the right, privilege or act of transferring title to real property.

18 (3) Subsection (1) of this section does not apply to any fee established under ORS 203.148.

19 (4) Subsection (1) of this section does not apply to any tax if the ordinance or other law im-
20 posing the tax is in effect and operative on March 31, 1997.

21 (5) Subsection (1) of this section does not apply to any tax or fee that is imposed upon the
22 transfer of a fee estate in real property if the fee that is imposed under ORS 205.323, for the re-
23 cording or filing of the instrument conveying the real property being transferred, is less than [\$32]
24 \$52.

25 **SECTION 7.** The amendments to ORS 205.323, 306.815, 458.610, 458.650, 458.655 and 458.665
26 by sections 1 to 6 of this 2017 Act apply to moneys deposited in the Emergency Housing Ac-
27 count, the Home Ownership Assistance Account and the General Housing Account on or af-
28 ter the effective date of this 2017 Act.