

# House Bill 3533

Sponsored by Representative HIEB (at the request of Traci Hensley)

## 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**.

Requires approval of urban renewal plan by electors of municipality proposing plan or substantial amendment to plan.

## A BILL FOR AN ACT

1  
2 Relating to urban renewal; creating new provisions; and amending ORS 457.085, 457.089, 457.095,  
3 457.105, 457.120, 457.125 and 457.135.

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

5 **SECTION 1.** ORS 457.095 is amended to read:

6 457.095. (1) The governing body of a municipality, upon receipt of a proposed urban renewal plan  
7 and report from the municipality's urban renewal agency and after public notice and hearing and  
8 consideration of public testimony and planning commission and taxing district recommendations, if  
9 any, may approve the urban renewal plan, **subject to approval by registered electors of the**  
10 **municipality pursuant to subsection (3) of this section.** *[The approval shall be by nonemergency*  
11 *ordinance that incorporates the plan by reference. Notice of adoption of the ordinance approving the*  
12 *urban renewal plan, and the provisions of ORS 457.135, shall be published by the governing body of*  
13 *the municipality in accordance with ORS 457.115 no later than four days following the ordinance*  
14 *adoption.]*

15 (2) *[The ordinance shall include]* **The approval by the governing body shall be by nonemer-**  
16 **gency ordinance that incorporates the plan by reference and includes** determinations and  
17 findings by the governing body of the municipality that:

18 (a) Each urban renewal area is blighted;

19 (b) The rehabilitation and redevelopment is necessary to protect the public health, safety or  
20 welfare of the municipality;

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

24 (d) Provision has been made to house displaced persons within their financial means in accord-  
25 ance with ORS 35.500 to 35.530 and, except in the relocation of elderly individuals or individuals  
26 with disabilities, without displacing on priority lists persons already waiting for existing federally  
27 subsidized housing;

28 (e) If acquisition of real property is provided for, it is necessary;

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

30 (g) The municipality shall assume and complete any activities prescribed it by the urban renewal  
31 plan.

**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       **(3)(a) Upon adoption of the ordinance approving the plan, the governing body of the**  
 2 **municipality shall refer the ordinance to the electors for their approval or rejection at the**  
 3 **next election date specified in ORS 203.085 if the municipality is a county, or ORS 221.230 if**  
 4 **the municipality is a city, that is not sooner than the 90th day following the date of adoption**  
 5 **of the ordinance.**

6       **(b) If the electors approve the plan, the governing body of the municipality shall publish**  
 7 **notice of the adoption of the ordinance and the provisions of ORS 457.135 in accordance with**  
 8 **ORS 457.115 no later than seven days following the election.**

9       **SECTION 2.** ORS 457.085 is amended to read:

10       457.085. (1) An urban renewal agency shall provide for public involvement in all stages in the  
 11 development of an urban renewal plan.

12       (2) An urban renewal plan proposed by an urban renewal agency shall include all of the fol-  
 13 lowing:

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

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

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

19       (d) An explanation of the plan's relationship to definite local objectives regarding appropriate  
 20 land uses and improved traffic, public transportation, public utilities, telecommunications utilities,  
 21 recreational and community facilities and other public improvements.

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

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

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

29       (h) If the plan provides for a division of ad valorem taxes under ORS 457.420 to 457.470, the  
 30 maximum amount of indebtedness that can be issued or incurred under the plan.

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

34       (A) Adding land to the urban renewal area [*if the addition results in a cumulative addition of*  
 35 *more than one percent of the urban renewal area*].

36       (B) Increasing the maximum amount of indebtedness that can be issued or incurred under the  
 37 plan.

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

40       **SECTION 3.** ORS 457.089 is amended to read:

41       457.089. (1) An urban renewal agency shall forward an urban renewal plan and the accompany-  
 42 ing report to the planning commission of the municipality for recommendations before presenting the  
 43 plan to the governing body of the municipality for approval under ORS 457.095.

44       (2)(a) The urban renewal agency shall deliver the urban renewal plan and accompanying report  
 45 to the governing body of each taxing district affected by the urban renewal plan, by certified mail

1 or any form of delivery that requires a signature upon delivery or that may otherwise be tracked.  
 2 The agency shall consult and confer with the taxing districts before presenting the plan to the  
 3 governing body of the municipality for approval under ORS 457.095.

4 (b) The governing body of each taxing district shall have 45 days following receipt of the plan  
 5 and report to submit written recommendations to the urban renewal agency. In adopting the plan,  
 6 the governing body of the municipality shall accept, reject or modify the recommendations of each  
 7 taxing district.

8 (3)(a) An urban renewal plan proposed on or after September 29, 2019, that includes a public  
 9 building project requires the concurrence of at least three of the four taxing districts that are esti-  
 10 mated to forgo the most property tax revenue as computed in the report accompanying the proposed  
 11 plan. The question of concurrence shall be determined by a vote of the governing body of each of  
 12 the four taxing districts.

13 (b) The urban renewal agency shall include with the urban renewal plan and accompanying re-  
 14 port provided pursuant to subsection (2) of this section a request for concurrence in the inclusion  
 15 of the public building project in the proposed plan.

16 (c) The governing body of each taxing district described in paragraph (a) of this subsection shall,  
 17 by written resolution, concur or decline to concur in the inclusion of the public building project in  
 18 the proposed plan.

19 (d)(A) If at least three of the four taxing districts described in paragraph (a) of this subsection  
 20 concur, the public building project may be included in the proposed plan.

21 (B) If at least two of the four taxing districts described in paragraph (a) of this subsection do  
 22 not concur, the public building project may not be included in the proposed plan.

23 (e) If the governing body of a taxing district described in paragraph (a) of this subsection does  
 24 not respond within 45 days after receiving the plan and report under subsection (2) of this section,  
 25 the taxing district shall be deemed to have concurred in the inclusion of all public building projects  
 26 included in the plan.

27 (4) Subsections (2) and (3) of this section also apply to:

28 (a) The addition on or after September 29, 2019, of a public building project to an urban renewal  
 29 plan that is not included in the plan before September 29, 2019.

30 (b) An amendment proposed on or after September 29, 2019, to an urban renewal plan that sig-  
 31 nificantly increases the scope of work for a public building project to be paid for with division of  
 32 taxes pursuant to ORS 457.420 to 457.470.

33 (5) An urban renewal plan may not be carried out until the plan has been approved [*by the*  
 34 *governing body of each municipality*] in accordance with ORS 457.095 and 457.105.

35 **SECTION 4.** ORS 457.105 is amended to read:

36 457.105. (1) In addition to the approval of a plan [*by the governing body of the municipality*] un-  
 37 der ORS 457.095, when any portion of the area of a proposed urban renewal plan extends beyond the  
 38 boundaries of the municipality into any other municipality and, in the case of a proposed plan by  
 39 a county agency, when any portion of such area is within the boundaries of a city, the governing  
 40 body of the other municipality may approve the plan and may do so by resolution, rather than by  
 41 ordinance.

42 (2) A proposed plan for an urban renewal area [*which*] **that** is wholly within the boundaries of  
 43 a city, or [*which*] **that** is wholly within the boundaries of a county and does not include any area  
 44 within the boundaries of a city, must be approved only [*by the governing body of the municipality*]  
 45 in accordance with ORS 457.095.

**SECTION 5.** ORS 457.120 is amended to read:

457.120. (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) 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) If the plan is a standard rate plan, or a reduced rate plan for which the consolidated billing tax rate includes a tax pledged to repay exempt bonded indebtedness that was approved by taxing district electors on or before October 6, 2001, the adoption or amendment may affect property tax rates;
- (c) Sets forth the proposed maximum amount of indebtedness that can be issued or incurred under the plan or amendment;
- (d) The ordinance, if approved[, *is subject to referendum*] **by the governing body, must be submitted to a vote of the electors for approval;** 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 that 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 subsection (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.

**SECTION 6.** ORS 457.125 is amended to read:

457.125. (1) A copy of the ordinance approving an urban renewal plan under ORS 457.095, **and an official notice of the results of the election required under ORS 457.095 (3)**, shall be sent by the governing body of the municipality to the urban renewal agency.

(2) 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.

(3) Upon receipt of the necessary approval of each municipality governing body **and the electors of the municipality that proposed the urban renewal plan**, the urban renewal plan shall

1 be recorded by the urban renewal agency with the recording officer of each county in which any  
2 portion of an urban renewal area within the plan is situated.

3 **SECTION 7.** ORS 457.135 is amended to read:

4 457.135. After October 3, 1979, any urban renewal plan purported to be adopted in conformance  
5 with applicable legal requirements shall be conclusively presumed valid for all purposes 90 days af-  
6 ter [*adoption of the plan by ordinance of the governing body of the municipality*] **approval of the plan**  
7 **by the electors of the municipality pursuant to ORS 457.095 (3)**. No direct or collateral attack  
8 on the action may thereafter be commenced.

9 **SECTION 8.** The amendments to ORS 457.085, 457.089, 457.095, 457.105, 457.120, 457.125 and  
10 457.135 by sections 1 to 7 of this 2023 Act apply to urban renewal plans proposed or sub-  
11 stantially amended on or after the effective date of this 2023 Act.

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