

Requested by Representative MARSH

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2980**

1 On page 1 of the printed bill, delete lines 4 through 29 and delete pages  
2 2 through 7 and insert:

3 **“SECTION 1. As used in sections 1 to 10 of this 2023 Act:**

4 **“(1) ‘Assessor,’ ‘tax collector’ and ‘treasurer’ mean the individual**  
5 **filling that county office so named or any county officer performing**  
6 **the functions of the office under another name.**

7 **“(2) ‘County tax officers’ and ‘tax officers’ mean the assessor, tax**  
8 **collector and treasurer of a county.**

9 **“(3) ‘Eligible costs’ means the following costs associated with an**  
10 **eligible housing project:**

11 **“(a) System development charges;**

12 **“(b) Predevelopment costs;**

13 **“(c) Construction costs;**

14 **“(d) Site-specific infrastructure; and**

15 **“(e) Land write-downs.**

16 **“(4) ‘Eligible housing project’ means a project to construct housing,**  
17 **or to convert a building from a nonresidential use to housing, that is:**

18 **“(a) If for-sale property, a single-family dwelling, middle housing**  
19 **as defined in ORS 197.758 or a multifamily dwelling affordable at initial**  
20 **sale to households with an annual income not greater than 120 percent**  
21 **of the area median income; or**

1       **“(b) If rental property:**  
2       **“(A) Middle housing as defined in ORS 197.758;**  
3       **“(B) A multifamily dwelling;**  
4       **“(C) An accessory dwelling unit as defined in ORS 215.501; or**  
5       **“(D) Any other form of affordable or moderate income housing.**  
6       **“(5) ‘Eligible housing project property’ means the taxable real and**  
7 **personal property constituting an eligible housing project.**  
8       **“(6) ‘Sponsoring jurisdiction’ means:**  
9       **“(a)(A) A city with respect to eligible housing projects located**  
10 **within the city boundaries; or**  
11       **“(B) A county with respect to eligible housing projects located in**  
12 **urban unincorporated areas of the county; or**  
13       **(b) The governing body of a city or county described in paragraph**  
14 **(a) of this subsection.**  
15       **“SECTION 2. (1) A sponsoring jurisdiction may adopt by ordinance**  
16 **or resolution a program under which the sponsoring jurisdiction**  
17 **awards grants to developers for eligible costs.**  
18       **“(2) The ordinance or resolution shall set forth:**  
19       **“(a) The kinds of eligible housing projects for which a developer**  
20 **may seek a grant under the program;**  
21       **“(b) Any definition of affordable and moderate income housing the**  
22 **sponsoring jurisdiction intends to apply to eligible housing projects;**  
23 **and**  
24       **“(c) Any eligibility requirements to be imposed on projects and de-**  
25 **velopers in addition to those required under sections 1 to 10 of this 2023**  
26 **Act.**  
27       **“(3) A grant award:**  
28       **“(a) May not exceed the estimated amount that can be repaid from**  
29 **not more than 10 consecutive years of property tax revenues assessed**  
30 **against the eligible housing project property as determined under sec-**

1 **tion 7 (3) of this 2023 Act.**

2 **“(b) May include reimbursement for eligible costs incurred for up**  
3 **to 12 months preceding the date on which the eligible housing project**  
4 **received local site approval.**

5 **“(4) Eligible housing project property for which a developer receives**  
6 **a grant for eligible costs may not be granted any other exemption,**  
7 **partial exemption or special assessment for purposes of ad valorem**  
8 **property taxes.**

9 **“SECTION 3. (1)(a) A sponsoring jurisdiction that adopts a grant**  
10 **program pursuant to section 2 of this 2023 Act shall prescribe an ap-**  
11 **plication process, including forms and deadlines, by which developers**  
12 **of eligible housing projects may apply for a grant.**

13 **“(b) An application for a grant must include, at a minimum:**

14 **“(A) A description of the eligible housing project;**

15 **“(B) A detailed description of the eligible costs for which the grant**  
16 **is sought;**

17 **“(C) The amount of the grant sought;**

18 **“(D) The proposed schedule for completion of the eligible housing**  
19 **project;**

20 **“(E) A project pro forma on a form provided to the sponsoring ju-**  
21 **risdiction by the Oregon Business Development Department that**  
22 **demonstrates that the project is economically feasible only with the**  
23 **grant moneys; and**

24 **“(F) Any other information, documentation or attestation that the**  
25 **sponsoring jurisdiction considers necessary or convenient for the ap-**  
26 **plication review process.**

27 **“(c) Applications shall be reviewed on a first-come, first-served ba-**  
28 **sis.**

29 **“(2)(a) Within 30 days following the receipt of an application from**  
30 **a developer, the sponsoring jurisdiction shall:**

1       **“(A) Review the application;**  
2       **“(B) Request that the county tax officers provide to the sponsoring**  
3 **jurisdiction and the department the tax rates of the taxing districts**  
4 **in which the eligible housing project property is located;**  
5       **“(C) Use the tax rates provided under subparagraph (B) of this**  
6 **paragraph to determine, under section 7 (3) of this 2023 Act, the esti-**  
7 **mated amount of property taxes assessed against the eligible housing**  
8 **project property that will be available for repayment of a loan made**  
9 **to the sponsoring jurisdiction under section 4 of this 2023 Act;**  
10       **“(D) Review and revise, if appropriate, the maximum grant amount**  
11 **for which the eligible housing project is eligible; and**  
12       **“(E)(i) Recommend approval of the application as submitted;**  
13       **“(ii) Recommend approval for a grant amount other than the**  
14 **amount sought in the application; or**  
15       **“(iii) Reject the application.**  
16       **“(b) The sponsoring jurisdiction may consult with the developer**  
17 **about the application, and the developer, after such consultation, may**  
18 **amend the application on or before a deadline set by the sponsoring**  
19 **jurisdiction.**  
20       **“(3) The sponsoring jurisdiction shall:**  
21       **“(a) Forward recommended applications to the Oregon Business**  
22 **Development Department for review under section 4 of this 2023 Act;**  
23 **and**  
24       **“(b) Notify applicants of:**  
25       **“(A) The sponsoring jurisdiction’s recommendations; and**  
26       **“(B) The further review of the department under section 4 of this**  
27 **2023 Act.**  
28       **“SECTION 4. (1)(a) The Oregon Business Development Department**  
29 **shall develop a program to make loans to sponsoring jurisdictions to**  
30 **fund grants made under the sponsoring jurisdiction’s grant program**

1 adopted pursuant to section 2 of this 2023 Act.

2 “(b) The loans shall be interest free for a term not to exceed 10  
3 years.

4 “(2) Within 30 days following the receipt of a recommended appli-  
5 cation forwarded by the sponsoring jurisdiction under section 3 (3) of  
6 this 2023 Act, the department shall:

7 “(a) Review the recommended application for compliance with the  
8 provisions of sections 1 to 10 of this 2023 Act and the accuracy of the  
9 financial estimates computed under section 7 (3) of this 2023 Act;

10 “(b) Make a final decision to:

11 “(A) Approve the application;

12 “(B) Approve the application for a grant amount other than the  
13 amount recommended by the sponsoring jurisdiction; or

14 “(C) Reject the application; and

15 “(c) Notify the sponsoring jurisdiction and each applicant of the  
16 department’s final decision.

17 “(3) For each application the department approves, the department  
18 shall:

19 “(a) Enter into a loan agreement with the sponsoring jurisdiction  
20 in the amount of the grant approved for the application; and

21 “(b) Pay to the sponsoring jurisdiction the loan proceeds out of the  
22 Housing Project Revolving Loan Fund established under section 10 of  
23 this 2023 Act.

24 “(4) In addition to the payment made under subsection (3)(b) of this  
25 section, the department shall pay out of the fund:

26 “(a) An amount equal to one percent of the loan proceeds to the  
27 sponsoring jurisdiction to reimburse the sponsoring jurisdiction for  
28 the costs of administering the grant program, other than the costs of  
29 tax administration; and

30 “(b) An amount equal to one percent of the loan proceeds to the

1 county that is the sponsoring jurisdiction, or the county in which the  
2 city that is the sponsoring jurisdiction is situated, to reimburse the  
3 county for the costs of the tax administration of the grant program  
4 by the county tax officers.

5 “(5) The department may adopt any rule it considers necessary or  
6 convenient for administering sections 1 to 10 of this 2023 Act.

7 **“SECTION 5. (1)(a) Upon entering into a loan agreement with the**  
8 **Oregon Business Development Department under section 4 of this 2023**  
9 **Act, a sponsoring jurisdiction shall offer a grant agreement to each**  
10 **developer whose application was approved.**

11 **“(b) The rejection of an application and the amount of a grant**  
12 **award may not be appealed, but a developer may reapply for a grant**  
13 **at any time within the stated deadlines of the grant program for the**  
14 **same or another eligible housing project.**

15 **“(c) The grant agreement shall contain such terms as are:**

16 **“(A) Approved by the department;**

17 **“(B) Required under sections 1 to 10 of this 2023 Act;**

18 **“(C) Agreed to by the sponsoring jurisdiction and the developer; and**

19 **“(D) Included by the sponsoring jurisdiction to enforce the**  
20 **affordability provisions of the grant agreement.**

21 **“(2) Upon entering into a grant agreement with a developer, a**  
22 **sponsoring jurisdiction shall adopt a resolution setting forth the de-**  
23 **tails of the eligible housing project that is the subject of the agree-**  
24 **ment, including, but not limited to:**

25 **“(a) A description of the eligible housing project;**

26 **“(b) A detailed explanation of the eligible costs;**

27 **“(c) The amount and terms of the grant award; and**

28 **“(d) A statement declaring that the grant has been awarded in re-**  
29 **sponse to the housing needs of communities within the sponsoring**  
30 **jurisdiction.**

1       **“(3) As soon as practicable after the resolution required under**  
2 **subsection (2) of this section becomes effective, the sponsoring juris-**  
3 **isdiction shall distribute the grant moneys to the developer using the**  
4 **loan proceeds received from the department under section 4 (3)(b) of**  
5 **this 2023 Act.**

6       **“(4) The sponsoring jurisdiction shall forward a copy of the grant**  
7 **agreement, the resolution and any other material the sponsoring ju-**  
8 **risdiction considers important, to the Oregon Business Development**  
9 **Department and the tax officers of the county in which the eligible**  
10 **housing project is located.**

11       **“SECTION 6. (1) Repayment of loans made under section 4 of this**  
12 **2023 Act shall begin after completion of the eligible housing project**  
13 **funded by the grant to which the loan relates.**

14       **“(2)(a) The sponsoring jurisdiction shall determine the date of**  
15 **completion of an eligible housing project.**

16       **“(b)(A) If an eligible housing project is completed before July 1 of**  
17 **the assessment year, repayment shall begin with the property tax year**  
18 **that begins on July 1 of the assessment year.**

19       **“(B) If an eligible housing project is completed on or after July 1**  
20 **of the assessment year, repayment shall begin with the property tax**  
21 **year that begins on July 1 of the following assessment year.**

22       **“(c) After making the determination under paragraph (b) of this**  
23 **subsection, the sponsoring jurisdiction shall notify the county tax of-**  
24 **ficers and the Oregon Business Development Department of the de-**  
25 **termination.**

26       **“(3) A loan shall remain outstanding until the later of the date on**  
27 **which:**

28       **“(a) The term of the loan expires; or**

29       **“(b) The loan is repaid in full.**

30       **“SECTION 7. (1) As used in this section:**

1       “(a) ‘Bond taxes’ means property taxes levied to repay bonded  
2 indebtedness.

3       “(b) ‘Fire district taxes’ means property taxes levied by fire districts  
4 within whose territory all or a portion of eligible housing project  
5 property is located.

6       “(2) Upon request of a sponsoring jurisdiction under section 3  
7 (2)(a)(B) of this 2023 Act, the county tax officers shall:

8       “(a) For the property tax year in which an application is received:

9       “(A) Determine the amount of property taxes assessed against the  
10 tax account that includes the eligible housing project property; and

11       “(B) Subtract the amount of fire district taxes and bond taxes from  
12 the amount determined under subparagraph (A) of this paragraph.

13       “(b) For the first property tax year for which the completed eligible  
14 housing project property is estimated to be taken into account:

15       “(A) Determine the estimated amount of property taxes that will  
16 be assessed against the tax account; and

17       “(B) Subtract the estimated amount of fire district taxes and bond  
18 taxes from the amount determined under subparagraph (A) of this  
19 paragraph.

20       “(3)(a) The total estimated amount of property taxes that will be  
21 available for repayment of a loan made to a sponsoring jurisdiction  
22 under section 4 of this 2023 Act with respect to the eligible housing  
23 project property against which the property taxes will be assessed shall  
24 be the product of:

25       “(A) The difference that results from subtracting the amount de-  
26 termined under subsection (2)(a) of this section from the amount de-  
27 termined under subsection (2)(b) of this section; and

28       “(B) The term of the loan.

29       “(b) As soon as practicable after computing the amounts under  
30 paragraph (a) of this subsection, the sponsoring jurisdiction shall no-

1 **tify the tax collector and the Oregon Business Development Depart-**  
2 **ment of the amounts.**

3 **“(c) Not later than September 30 of each assessment year during**  
4 **which any loan remains outstanding, the department shall aggregate**  
5 **by county all notices that the department has received under para-**  
6 **graph (b) of this subsection on or after October 1 of the previous as-**  
7 **essment year and notify the tax officers of each county of the total**  
8 **amount of property taxes, as determined under paragraph (a)(A) of**  
9 **this subsection, needed to repay the loans for the eligible housing**  
10 **projects located in the county for the current assessment year.**

11 **“(d) The treasurer shall transfer the total aggregated amount of**  
12 **revenues reflecting the notice received from the department under**  
13 **paragraph (c) of this subsection to the department in repayment of the**  
14 **loans.**

15 **“(4) The treasurer may repay a loan early.**

16 **“(5) If property taxes imposed on the eligible housing project prop-**  
17 **erty become delinquent, the sponsoring jurisdiction may authorize the**  
18 **treasurer to suspend loan repayment under this section until the tax**  
19 **account is no longer delinquent if necessary to ensure that the dis-**  
20 **tributions, as determined under sections 1 to 10 of this 2023 Act, are**  
21 **made in full to the taxing districts in which the tax account is located.**

22 **“SECTION 8. (1) Not later than August 1 of each year in which a**  
23 **grant agreement entered into under section 5 of this 2023 Act is in ef-**  
24 **fect, the developer that is party to the agreement shall submit a report**  
25 **to the sponsoring jurisdiction and the Oregon Business Development**  
26 **Department that contains:**

27 **“(a) The status of the construction or conversion of the eligible**  
28 **housing project property, including an estimate of the date of com-**  
29 **pletion;**

30 **“(b) A detailed description of the uses of the grant moneys; and**

1       “(c) Any information the sponsoring jurisdiction or the department  
2 considers important for evaluating the eligible housing project and the  
3 developer’s performance under the terms of the grant agreement.

4       “(2) Not later than September 15 of each year in which a grant  
5 agreement is in effect, the department shall submit, in the manner  
6 required under ORS 192.245, a report summarizing the information re-  
7 ceived from developers pursuant to subsection (1) of this section, and  
8 the repayment status of all outstanding loans, to the interim com-  
9 mittees of the Legislative Assembly related to housing.

10       “SECTION 9. (1)(a) A developer that received a grant award under  
11 section 5 of this 2023 Act shall become liable for immediate repayment  
12 to the Oregon Business Development Department of the full amount  
13 of the grant award if:

14       “(A) The developer has not completed the eligible housing project  
15 within three years following the date on which the grant moneys were  
16 distributed to the developer;

17       “(B) The eligible housing project changes substantially from the  
18 project for which the developer’s application was approved such that  
19 the project would not have been eligible for the grant; or

20       “(C) The developer has not complied with any requirement specified  
21 in the grant agreement.

22       “(b) The sponsoring jurisdiction may in its sole discretion extend  
23 the date on which the eligible housing project must be completed.

24       “(2) Any and all amounts required to be repaid under this section  
25 shall be considered to be liquidated and delinquent, and the Oregon  
26 Business Development Department shall assign such amounts to the  
27 Department of Revenue for collection as provided in ORS 293.250.

28       “(3) If the sponsoring jurisdiction or the Oregon Business Develop-  
29 ment Department discovers that a developer willfully made a false  
30 statement or misrepresentation, or willfully failed to report a material

1 fact, to obtain a grant, the Oregon Business Development Department  
2 may add to the amount the business is obligated to repay a penalty  
3 not to exceed 20 percent of the amount of the grant so obtained, plus  
4 any applicable interest and fees associated with the Department of  
5 Revenue's costs of collection.

6 “(4) Subject to ORS 293.250, all amounts repaid to the Oregon  
7 Business Development Department or the Department of Revenue un-  
8 der this section, including award amounts, penalties, interest, fees and  
9 any other charges, shall be transferred to the Housing Project Re-  
10 volving Loan Fund established under section 10 of this 2023 Act.

11 **“SECTION 10. (1) The Housing Project Revolving Loan Fund is es-  
12 tablished in the State Treasury, separate and distinct from the General  
13 Fund. Interest earned by the Housing Project Revolving Loan Fund  
14 shall be credited to the fund.**

15 “(2) Moneys in the Housing Project Revolving Loan Fund shall  
16 consist of:

17 “(a) Amounts appropriated or otherwise transferred or credited to  
18 the fund by the Legislative Assembly;

19 “(b) Property tax revenues received by the Oregon Business Devel-  
20 opment Department from sponsoring jurisdictions in repayment of  
21 loans made under section 4 of this 2023 Act;

22 “(c) Earnings received on moneys in the fund; and

23 “(d) Other moneys, or proceeds of property, from any public or  
24 private source that are transferred, donated or otherwise credited to  
25 the fund.

26 “(3) Moneys in the Housing Project Revolving Loan Fund are con-  
27 tinuously appropriated to the Oregon Business Development Depart-  
28 ment for the following purposes:

29 “(a) Paying the actual costs incurred by the department in admin-  
30 istering sections 1 to 10 of this 2023 Act; and

1       **“(b) Making loans to sponsoring jurisdictions under section 4 of this**  
2 **2023 Act.**

3       **“(4) Moneys in the Housing Project Revolving Loan Fund at the end**  
4 **of a biennium shall be retained in the fund and used for the purposes**  
5 **set forth in subsection (3) of this section.**

6       **“SECTION 11. There is appropriated to the Oregon Business Devel-**  
7 **opment Department, for the biennium beginning July 1, 2023, out of**  
8 **the General Fund, the amount of \$300,000,000, for deposit in the Hous-**  
9 **ing Project Revolving Loan Fund established under section 10 of this**  
10 **2023 Act, to be used for the purpose of carrying out the provisions of**  
11 **sections 1 to 10 of this 2023 Act.**

12       **“SECTION 12. This 2023 Act takes effect on the 91st day after the**  
13 **date on which the 2023 regular session of the Eighty-second Legislative**  
14 **Assembly adjourns sine die.”.**

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