

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 12 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 housing or moderate income**
6 **housing.**

7 **“(5) ‘Eligible housing project property’ means the taxable real and**
8 **personal property constituting the improvements of an eligible housing**
9 **project.**

10 **“(6) ‘Fire district taxes’ means property taxes levied by fire districts**
11 **within whose territory all or a portion of eligible housing project**
12 **property is located.**

13 **“(7) ‘Nonexempt property’ means property other than eligible**
14 **housing project property in the tax account that includes the eligible**
15 **housing project property.**

16 **“(8) ‘Nonexempt taxes’ means the ad valorem property taxes as-**
17 **sessed on nonexempt property.**

18 **“(9) ‘Sponsoring jurisdiction’ means:**

19 **“(a)(A) A city with respect to eligible housing projects located**
20 **within the city boundaries; or**

21 **“(B) A county with respect to eligible housing projects located in**
22 **urban unincorporated areas of the county; or**

23 **“(b) The governing body of a city or county described in paragraph**
24 **(a) of this subsection.**

25 **“SECTION 2. (1) A sponsoring jurisdiction may adopt by ordinance**
26 **or resolution a program under which the sponsoring jurisdiction**
27 **awards grants to developers for eligible costs.**

28 **“(2) The ordinance or resolution shall set forth:**

29 **“(a) The kinds of eligible housing projects for which a developer**
30 **may seek a grant under the program;**

1 **“(b) Any definition of ‘affordable housing’ or ‘moderate income**
2 **housing’ the sponsoring jurisdiction intends to apply to eligible hous-**
3 **ing projects; and**

4 **“(c) Any eligibility requirements to be imposed on projects and de-**
5 **velopers in addition to those required under sections 1 to 12 of this 2023**
6 **Act.**

7 **“(3) A grant award:**

8 **“(a) May not exceed the maximum principal amount of the loan to**
9 **which the grant award relates, as determined under section 7 (2)(a)**
10 **of this 2023 Act, made to a sponsoring jurisdiction under section 4 of**
11 **this 2023 Act.**

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

15 **“(4) Eligible housing project property for which a developer receives**
16 **a grant for eligible costs may not be granted any exemption, partial**
17 **exemption or special assessment of ad valorem property taxes other**
18 **than the exemption granted under section 8 of this 2023 Act.**

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

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

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

25 **“(B) An itemized description of the eligible costs for which the**
26 **grant is sought;**

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

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

30 **“(E) A project pro forma on a form provided to the sponsoring ju-**

1 jurisdiction by the Oregon Business Development Department that
2 demonstrates that the project is economically feasible only with the
3 grant moneys; and

4 “(F) Any other information, documentation or attestation that the
5 sponsoring jurisdiction considers necessary or convenient for the ap-
6 plication review process.

7 “(c) Applications shall be reviewed on a first-come, first-served ba-
8 sis.

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

11 “(A) Review the application;

12 “(B) Request that the county tax officers provide to the sponsoring
13 jurisdiction and the department the information necessary to making
14 the determinations under section 7 (2) of this 2023 Act;

15 “(C) Use the information provided under subparagraph (B) of this
16 paragraph to determine, under section 7 (2)(a) of this 2023 Act, the
17 maximum principal amount of a loan that may be made to the spon-
18 soring jurisdiction under section 4 of this 2023 Act;

19 “(D) Review and revise, if appropriate, the maximum grant amount
20 for which the eligible housing project is eligible; and

21 “(E)(i) Recommend approval of the application as submitted;

22 “(ii) Recommend approval for a grant amount other than the
23 amount sought in the application; or

24 “(iii) Reject the application.

25 “(b) The sponsoring jurisdiction may consult with the developer
26 about the application, and the developer, after such consultation, may
27 amend the application on or before a deadline set by the sponsoring
28 jurisdiction.

29 “(3) The sponsoring jurisdiction shall:

30 “(a) Forward recommended applications to the Oregon Business

1 **Development Department for review under section 4 of this 2023 Act;**
2 **and**

3 **“(b) Notify applicants of:**

4 **“(A) The sponsoring jurisdiction’s recommendations; and**

5 **“(B) The further review of applications by the department under**
6 **section 4 of this 2023 Act.**

7 **“SECTION 4. (1)(a) The Oregon Business Development Department**
8 **shall develop a program to make loans to sponsoring jurisdictions to**
9 **fund grants made under the sponsoring jurisdiction’s grant program**
10 **adopted pursuant to section 2 of this 2023 Act.**

11 **“(b) The loans shall be interest free for a term not to exceed 10**
12 **years.**

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

16 **“(a) Review the recommended application for:**

17 **“(A) Compliance with the provisions of sections 1 to 12 of this 2023**
18 **Act; and**

19 **“(B) The accuracy of the amounts computed under section 7 (2) of**
20 **this 2023 Act;**

21 **“(b) Make a final decision to:**

22 **“(A) Approve the application;**

23 **“(B) Approve the application for a grant amount other than the**
24 **amount recommended by the sponsoring jurisdiction; or**

25 **“(C) Reject the application; and**

26 **“(c) Notify the sponsoring jurisdiction and each applicant of the**
27 **department’s final decision.**

28 **“(3) For each application the department approves, the department**
29 **shall:**

30 **“(a) Enter into a loan agreement with the sponsoring jurisdiction**

1 in the amount of the grant approved for the application; and

2 “(b) Pay to the sponsoring jurisdiction the loan proceeds out of the
3 Housing Project Revolving Loan Fund established under section 12 of
4 this 2023 Act.

5 “(4) In addition to the payment made under subsection (3)(b) of this
6 section, the department shall pay out of the fund, with respect to each
7 loan:

8 “(a) An amount equal to one percent of the loan proceeds to the
9 sponsoring jurisdiction to reimburse the sponsoring jurisdiction for
10 the costs of administering the grant program, other than the costs of
11 tax administration;

12 “(b) An amount equal to one percent of the loan proceeds to the
13 county that is the sponsoring jurisdiction, or the county in which the
14 city that is the sponsoring jurisdiction is situated, to reimburse the
15 county for the costs of the tax administration of the grant program
16 by the county tax officers; and

17 “(c) A reimbursement to the department for its actual costs in-
18 curred in administering sections 1 to 12 of this 2023 Act.

19 “(5) The department may adopt any rule it considers necessary or
20 convenient for administering sections 1 to 12 of this 2023 Act.

21 **“SECTION 5. (1)(a) Upon entering into a loan agreement with the**
22 **Oregon Business Development Department under section 4 of this 2023**
23 **Act, a sponsoring jurisdiction shall offer a grant agreement to each**
24 **developer whose application was approved including a grant award in**
25 **an amount equal to the loan proceeds received by the sponsoring ju-**
26 **risdiction for the eligible housing project to which the grant agree-**
27 **ment relates.**

28 “(b) The rejection of an application and the amount of a grant
29 award may not be appealed, but a developer may reapply for a grant
30 at any time within the stated deadlines of the grant program for the

1 same or another eligible housing project.

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

3 “(A) Approved by the department;

4 “(B) Required under sections 1 to 12 of this 2023 Act;

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

6 “(D) Included by the sponsoring jurisdiction to enforce the
7 affordability provisions of the grant agreement.

8 “(2) Upon entering into a grant agreement with a developer, a
9 sponsoring jurisdiction shall adopt an ordinance or resolution setting
10 forth the details of the eligible housing project that is the subject of
11 the agreement, including, but not limited to:

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

13 “(b) An itemized description of the eligible costs;

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

15 “(d) Written notice that the eligible housing project property is ex-
16 empt from property taxation in accordance with section 8 of this 2023
17 Act; and

18 “(e) A statement declaring that the grant has been awarded in re-
19 sponse to the housing needs of communities within the sponsoring
20 jurisdiction.

21 “(3) As soon as practicable after the ordinance or resolution re-
22 quired under subsection (2) of this section becomes effective, the
23 sponsoring jurisdiction shall distribute the loan proceeds received from
24 the department under section 4 (3)(b) of this 2023 Act to the developer
25 as the grant moneys awarded under this section.

26 “(4) The sponsoring jurisdiction shall forward a copy of the grant
27 agreement, the ordinance or resolution and any other material the
28 sponsoring jurisdiction considers important to the Oregon Business
29 Development Department and the tax officers of the county in which
30 the eligible housing project is located.

1 **“SECTION 6. (1) Repayment of loans made under section 4 of this**
2 **2023 Act shall begin, in accordance with section 9 of this 2023 Act, after**
3 **completion of the eligible housing project funded by the grant to which**
4 **the loan relates.**

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

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

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

13 **“(c) After making the determination under paragraph (b) of this**
14 **subsection, the sponsoring jurisdiction shall notify the Oregon Busi-**
15 **ness Development Department and the county tax officers of the de-**
16 **termination.**

17 **“(3) A loan shall remain outstanding until the loan is repaid in full.**

18 **“SECTION 7. (1) Upon receipt of the information requested from**
19 **county tax officers under section 3 (2)(a)(B) of this 2023 Act, the**
20 **sponsoring jurisdiction shall:**

21 **“(a) For the property tax year in which a grant application is re-**
22 **ceived under section 3 of this 2023 Act:**

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

25 **“(B) Subtract the amount of fire district taxes from the amount**
26 **determined under subparagraph (A) of this paragraph.**

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

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

1 **“(B) Subtract the estimated amount of fire district taxes from the**
2 **amount determined under subparagraph (A) of this paragraph.**

3 **“(2)(a) The maximum principal amount of a loan made to a spon-**
4 **soring jurisdiction under section 4 of this 2023 Act and the amount of**
5 **a grant award made to a developer under section 5 of this 2023 Act out**
6 **of the loan proceeds shall equal, for each respective eligible housing**
7 **project, the product of:**

8 **“(A) The increment that results from subtracting the amount de-**
9 **termined under subsection (1)(a) of this section from the amount de-**
10 **termined under subsection (1)(b) of this section; and**

11 **“(B) The term of the loan.**

12 **“(b) The amount of the annual fee charged to a developer under**
13 **section 9 of this 2023 Act for the first year shall equal the difference**
14 **determined under paragraph (a)(A) of this subsection.**

15 **“(c) As soon as practicable after determining amounts under this**
16 **subsection, the sponsoring jurisdiction shall provide written notice to**
17 **the Oregon Business Development Department and the county tax of-**
18 **ficers certifying the amounts.**

19 **“SECTION 8. (1) Upon receipt of the copy of a grant agreement and**
20 **ordinance or resolution from the sponsoring jurisdiction under section**
21 **5 (4) of this 2023 Act, the assessor of the county in which the eligible**
22 **housing project property is located shall:**

23 **“(a) Exempt the eligible housing project property in accordance**
24 **with this section;**

25 **“(b) Assess and tax the nonexempt property in the tax account as**
26 **other similar property is assessed and taxed; and**

27 **“(c) Submit a written report to the sponsoring jurisdiction and the**
28 **Oregon Business Development Department setting forth the assessor’s**
29 **estimate of the amount of:**

30 **“(A) The real market value of the exempt eligible housing project**

1 **property; and**

2 **“(B) The property taxes on the exempt eligible housing project**
3 **property that would have been collected if the property were not ex-**
4 **empt.**

5 **“(2)(a) The exemption shall first apply to the property tax year that**
6 **immediately succeeds the effective date of the ordinance or resolution**
7 **adopted by the sponsoring jurisdiction under section 5 (2) of this 2023**
8 **Act.**

9 **“(b) The eligible housing project property shall be disqualified from**
10 **the exemption on the earliest of:**

11 **“(A) July 1 of the property tax year immediately succeeding the**
12 **date on which the loan that relates to the eligible housing project is**
13 **repaid in full;**

14 **“(B) The date on which foreclosure proceedings are commenced as**
15 **provided by law for delinquent taxes assessed on the nonexempt prop-**
16 **erty;**

17 **“(C) The date on which the annual fee imposed on the developer**
18 **under section 9 of this 2023 Act becomes delinquent; or**

19 **“(D) The date on which a condition specified in section 11 (1) of this**
20 **2023 Act occurs.**

21 **“(c) After the eligible housing project property has been disqualified**
22 **from the exemption under this subsection, the property shall be as-**
23 **essed and taxed as other similar property is assessed and taxed.**

24 **“(3) For each tax year that the eligible housing project property is**
25 **exempt from taxation, the assessor shall enter a notation on the as-**
26 **essment roll stating:**

27 **“(a) That the property is exempt under this section; and**

28 **“(b) The presumptive number of property tax years for which the**
29 **exemption is granted, which shall be the term of the loan agreement**
30 **relating to the eligible housing project.**

1 **“SECTION 9. (1)(a) The developer whose eligible housing project**
2 **property has been granted exemption under section 8 of this 2023 Act**
3 **shall pay an annual fee in repayment of the loan made under section**
4 **4 of this 2023 Act with respect to the eligible housing project.**

5 **“(b) The fee shall be payable for the lesser of 10 consecutive prop-**
6 **erty tax years or until the loan is retired as determined under section**
7 **6 (3) of this 2023 Act.**

8 **“(2)(a) The amount of the fee for the first property tax year that**
9 **the loan is outstanding shall be the amount determined under section**
10 **7 (2)(b) of this 2023 Act.**

11 **“(b) For each subsequent property tax year, the amount of the fee**
12 **shall be 103 percent of the amount of the fee for the preceding property**
13 **tax year.**

14 **“(3)(a) The sponsoring jurisdiction shall provide written notice to**
15 **the Oregon Business Development Department of each fee amount**
16 **that will be due from developers with respect to eligible housing**
17 **projects located in the sponsoring jurisdiction.**

18 **“(b) Not later than July 15 of each property tax year during which**
19 **any loan remains outstanding, the department shall aggregate by**
20 **county all notices that the department has received under this sub-**
21 **section and section 7 (2) of this 2023 Act on or after July 16 of the**
22 **previous property tax year and notify the tax officers of each county**
23 **of the total and individual amounts of annual fees related to eligible**
24 **housing projects located in the county for the current assessment**
25 **year.**

26 **“(4)(a) The assessor shall place on the tax statement of each tax**
27 **account that includes exempt eligible housing project property:**

28 **“(A) The values and taxes assessed on the nonexempt property; and**

29 **“(B) The amount of the fee imposed on the developer with respect**
30 **to the eligible housing project property.**

1 **“(b) The treasurer shall distribute the total aggregate fee moneys**
2 **to the department.**

3 **“(5) The department shall:**

4 **“(a) Estimate the amount of fire district taxes that would have been**
5 **collected on eligible housing project property if the property were not**
6 **exempt;**

7 **“(b) Distribute the amounts determined under paragraph (a) of this**
8 **subsection to the respective fire districts out of the fee moneys; and**

9 **“(c) Deposit the net fee moneys in the Housing Project Revolving**
10 **Loan Fund established under section 12 of this 2023 Act in repayment**
11 **of the loans to which the fees relate.**

12 **“(6) The sponsoring jurisdiction may repay any loan early.**

13 **“(7) Property taxes assessed on nonexempt property shall be dis-**
14 **tributed in the same manner as other property taxes are distributed.**

15 **“SECTION 10. (1) Not later than August 1 of each year in which a**
16 **grant agreement entered into under section 5 of this 2023 Act is in ef-**
17 **fect, the developer that is party to the agreement shall submit a report**
18 **to the sponsoring jurisdiction and the Oregon Business Development**
19 **Department that contains:**

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

23 **“(b) An itemized description of the uses of the grant moneys; and**

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

27 **“(2) Not later than September 15 of each year in which a grant**
28 **agreement is in effect, the department shall submit, in the manner**
29 **required under ORS 192.245, a report summarizing the information re-**
30 **ceived from developers pursuant to subsection (1) of this section, and**

1 the repayment status of all outstanding loans, to the interim com-
2 mittees of the Legislative Assembly related to housing.

3 **“SECTION 11. (1)(a) A developer that received a grant award under**
4 **section 5 of this 2023 Act shall become liable for immediate payment**
5 **to the Oregon Business Development Department of the outstanding**
6 **annual fee payments imposed under section 9 of this 2023 Act for the**
7 **remaining term of the loan to which the fee relates if:**

8 **“(A) The developer has not completed the eligible housing project**
9 **within three years following the date on which the grant moneys were**
10 **distributed to the developer;**

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

14 **“(C) The developer has not complied with a requirement specified**
15 **in the grant agreement.**

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

18 **“(2) The county tax officers shall distribute amounts collected un-**
19 **der this section in the same manner as annual fee payments are dis-**
20 **tributed under section 9 of this 2023 Act.**

21 **“(3) Any and all amounts required to be paid under this section**
22 **shall be considered to be liquidated and delinquent, and the Oregon**
23 **Business Development Department shall assign such amounts to the**
24 **Department of Revenue for collection as provided in ORS 293.250.**

25 **“(4) If the sponsoring jurisdiction or the Oregon Business Develop-**
26 **ment Department discovers that a developer willfully made a false**
27 **statement or misrepresentation or willfully failed to report a material**
28 **fact to obtain a grant, the Oregon Business Development Department**
29 **may add to the amount the developer is obligated to pay a penalty not**
30 **to exceed 20 percent of the amount of the grant so obtained, plus any**

1 applicable interest and fees associated with the Department of
2 Revenue's costs of collection.

3 “(5) Subject to ORS 293.250, all amounts paid to the Oregon Busi-
4 ness Development Department or the Department of Revenue under
5 this section, including award amounts, penalties, interest, fees and
6 any other charges, shall be transferred to the Housing Project Re-
7 volving Loan Fund established under section 12 of this 2023 Act in re-
8 payment of the loans to which the fees relate.

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

13 **“(2) Moneys in the Housing Project Revolving Loan Fund shall**
14 **consist of:**

15 **“(a) Amounts appropriated or otherwise transferred or credited to**
16 **the fund by the Legislative Assembly;**

17 **“(b) Fee payments received by the Oregon Business Development**
18 **Department under section 9 of this 2023 Act;**

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

20 **“(d) Other moneys or proceeds of property from any public or pri-**
21 **ivate source that are transferred, donated or otherwise credited to the**
22 **fund.**

23 **“(3) Moneys in the Housing Project Revolving Loan Fund are con-**
24 **tinuously appropriated to the Oregon Business Development Depart-**
25 **ment for the following purposes:**

26 **“(a) Making loans to sponsoring jurisdictions under section 4 of this**
27 **2023 Act;**

28 **“(b) Reimbursing costs to sponsoring jurisdictions and counties**
29 **payable under section 4 (4)(a) and (b) of this 2023 Act; and**

30 **“(c) Reimbursing the actual costs incurred by the department pay-**

1 able under section 4 (4)(c) of this 2023 Act.

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

5 “SECTION 13. There is appropriated to the Oregon Business Devel-
6 opment Department, for the biennium beginning July 1, 2023, out of
7 the General Fund, the amount of \$300,000,000, for deposit in the Hous-
8 ing Project Revolving Loan Fund established under section 12 of this
9 2023 Act, to be used for the purpose of carrying out the provisions of
10 sections 1 to 12 of this 2023 Act.

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

14 _____