

SB 967 A STAFF MEASURE SUMMARY**Carrier:** Rep. Levy E**House Committee On Housing and Homelessness****Action Date:** 04/30/25**Action:** Do Pass the A-Eng bill.**Vote:** 12-0-0-0**Yeas:** 12 - Andersen, Breese-Iverson, Dobson, Edwards, Fragala, Gamba, Helfrich, Javadi, Levy E, Mannix, Marsh, Sosa**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Iva Sokolovska, LPRO Analyst**Meeting Dates:** 4/16, 4/30**WHAT THE MEASURE DOES:**

The measure authorizes local governments to enter into intergovernmental agreements to divide jurisdiction over local improvements proposed in unincorporated areas inside an urban growth boundary. It also requires the improvement to comply with each host city's comprehensive plan and clarifies that forming a local improvement district does not change the underlying permitted land uses.

ISSUES DISCUSSED:

- Scope of issue in the state
- Issues arising from City of Bend growth
- Local Improvement District process and agreements
- Responsibility for community engagement
- Provisions prevailing and debt-carrying entities in intergovernmental agreements

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

A local improvement is a capital construction project undertaken by a local government to enhance or remedy issues for specific properties; these projects are conducted under statutory or local ordinance authority, benefit only the properties affected, are financed by a single comprehensive assessment on those properties upon project completion, and allow property owners the option to pay off the assessment, with interest, over a period of at least 11 years. Assessments for local improvement are charges that are limited to the actual costs a government unit incurs for designing, constructing, and financing a local improvement (ORS 310.140).

ORS 223.389 establishes the procedure for making local assessments for local improvements by allowing a local government's governing body to prescribe the method—through an ordinance or resolution—for estimating and finalizing assessments on properties that benefit from a local improvement. This process includes designating the local improvement and its district, notifying affected property owners, and specifying the time and place for receiving objections. The governing body is required to determine, based on contract awards or departmental cost estimates, whether and how much of the improvement's cost each property should bear, after which an official prepares and files estimated assessments for each lot and sends notice to the property owners. Owners are then given a deadline to file any objections, and the governing body reviews these objections to adopt, modify, or correct the proposed assessments, ensuring the final amounts reflect the specific benefits received by each property.