

Requested by SENATE COMMITTEE ON HOUSING AND DEVELOPMENT

**PROPOSED AMENDMENTS TO  
SENATE BILL 48**

1 On page 1 of the printed bill, line 2, after the semicolon delete the rest  
2 of the line and delete line 3 and insert “creating new provisions; amending  
3 ORS 215.427 and 227.178 and sections 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 39,  
4 49, 52, 55, 57 and 58, chapter 110, Oregon Laws 2024; and prescribing an ef-  
5 fective date.”.

6 On page 5, delete lines 32 through 45.

7 On page 6, delete lines 1 through 9 and insert:

8 **“SECTION 3.** Section 39, chapter 110, Oregon Laws 2025, is amended to  
9 read:

10 **“Sec. 39.** (1) A local government may apply to the Housing Accountability  
11 and Production Office for an exemption to section 38, **chapter 110, Oregon**  
12 **Laws 2024**, [*of this 2024 Act*] only as provided in this section. After [*the*] **an**  
13 **initial** application is made, section 38, **chapter 110, Oregon Laws 2024**, [*of*  
14 *this 2024 Act*] does not apply to the applicant until the office **first** denies the  
15 application or revokes the exemption.

16 “(2) To qualify for an exemption under this section, the local government  
17 must demonstrate that:

18 “(a) The local government reviews requested design and development ad-  
19 justments for all applications for the development of housing that are under  
20 the jurisdiction of that local government;

21 “(b) All listed development and design adjustments under section 38 (4)

1 and (5), **chapter 110, Oregon Laws 2024**, [*of this 2024 Act*] are eligible for  
2 an adjustment under the local government’s process; and

3 “(c)(A) Within the previous five years the city has approved 90 percent  
4 of received adjustment requests; or

5 “(B) The adjustment process is flexible and accommodates project needs  
6 as demonstrated by testimonials of housing developers who have utilized the  
7 adjustment process within the previous five years.

8 “(3) Upon receipt of an application under this section, the office shall  
9 allow for public comment on the application for a period of no less than 45  
10 days. The office shall enter a final order on the adjustment exemption within  
11 120 days of receiving the application. The approval of an application may  
12 not be appealed.

13 “(4) In approving an exemption, the office may establish conditions of  
14 approval requiring that the city demonstrate that it continues to meet the  
15 criteria under subsection (2) of this section.

16 “(5) Local governments with an approved or pending exemption under this  
17 section shall clearly and consistently notify applicants, including prospective  
18 applicants seeking to request an adjustment, that are engaged in housing  
19 development:

20 “(a) That the local government is employing a local process in lieu of  
21 section 38, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*];

22 “(b) Of the development and design standards for which an applicant may  
23 request an adjustment in a housing development application; and

24 “(c) Of the applicable criteria for the adjustment application.

25 “(6) In response to a complaint and following an investigation, the office  
26 may issue an order revoking an exemption issued under this section if the  
27 office determines that the local government is:

28 “(a) Not approving adjustments as required by the local process or the  
29 terms of the exemption;

30 “(b) Engaging in a pattern or practice of violating housing-related stat-

1 utes or implementing policies that create unreasonable cost or delays to  
2 housing production under ORS 197.320 (13)(a); or

3 “(c) Failing to comply with conditions of approval adopted under sub-  
4 section (4) of this section.

5 **“SECTION 4.** Section 49, chapter 110, Oregon Laws 2024, is amended to  
6 read:

7 **“Sec. 49.** As used in sections 49 to 59, **chapter 110, Oregon Laws 2024**  
8 *[of this 2024 Act]*:

9 “(1) ‘Net residential acre’ means an acre of residentially designated  
10 buildable land, not including rights of way for streets, roads or utilities or  
11 areas not designated for development due to natural resource protections or  
12 environmental constraints.

13 “(2) ‘Site’ means a lot or parcel or *[contiguous lots or parcels, or both,]*  
14 **any combination of lots and parcels that are contiguous or separated**  
15 **from one another by a street or road** with or without common ownership.

16 **“SECTION 5.** Section 52, chapter 110, Oregon Laws 2024, is amended to  
17 read:

18 **“Sec. 52.** A city may not add, or petition to add, a site under sections 49  
19 to 59, **chapter 110, Oregon Laws 2024** *[of this 2024 Act]*, unless:

20 “(1) The city has demonstrated a need for additional land based on the  
21 following factors:

22 “(a)(A) In the previous 20 years there have been no urban growth bound-  
23 ary expansions for residential use adopted by a city or by Metro in a location  
24 adjacent to the city; and

25 “(B) The city does not have within the existing urban growth boundary  
26 *[an undeveloped, contiguous tract that is zoned for residential use that is*  
27 *larger than 20 net residential acres]* **a tract that:**

28 **“(i) Is larger than 20 net residential acres;**

29 **“(ii) Undeveloped;**

30 **“(iii) Consists of one or more lots or parcels with or without com-**

1 **mon ownership and that abut each other or are separated by only a**  
2 **street or a road; or**

3 “(b) Within urban growth boundary expansion areas for residential use  
4 adopted by the city over the previous 20 years, or by Metro in locations ad-  
5 jacent to the city, 75 percent of the lands either:

6 “(A) Are developed; or

7 “(B) Have an acknowledged comprehensive plan with land use desig-  
8 nations in preparation for annexation and have a public facilities plan and  
9 associated financing plan.

10 “(2) The city has demonstrated a need for affordable housing, based on:

11 “(a) Having a greater percentage of severely cost-burdened households  
12 than the average for this state based on the Comprehensive Housing  
13 Affordability Strategy data from the United States Department of Housing  
14 and Urban Development; or

15 “(b) At least 25 percent of the renter households in the city being severely  
16 rent burdened as indicated under the most recent housing equity indicator  
17 data under ORS 456.602 (2)(g).

18 **“(3) The evaluation of the demonstrations required under this sec-**  
19 **tion and the evaluation of criteria in an application under sections 49**  
20 **to 59, chapter 110, Oregon Laws 2024, must be based on the evidence,**  
21 **data and factors as of the time a public notice is issued under section**  
22 **53 (1), chapter 110, Oregon Laws 2024.**

23 **“SECTION 6.** Section 55, chapter 110, Oregon Laws is amended to read:

24 **“Sec. 55.** (1) As used in this section:

25 “(a) ‘Affordable units’ means residential units described in subsection  
26 (3)(f)(A) or (4) of this section.

27 “(b) ‘Market rate units’ means residential units other than affordable  
28 units.

29 “(2) Before adopting an urban growth boundary amendment under section  
30 **50, chapter 110, Oregon Laws 2024, [of this 2024 Act]** or petitioning Metro

1 under section 51, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*], for a  
2 site larger than 15 net residential acres, a city shall adopt a binding con-  
3 ceptual plan as an amendment to its comprehensive plan.

4 “(3) The conceptual plan must:

5 “(a) Establish the total net residential acres within the site and must re-  
6 quire for those residential areas:

7 “(A) A diversity of housing types and sizes, including middle housing,  
8 accessible housing and other needed housing;

9 “(B) That the development will be on lands zoned for residential or  
10 mixed-use residential uses; and

11 “(C) The development will be built at net residential densities not less  
12 than:

13 “(i) Seventeen dwelling units per net residential acre if sited within the  
14 Metro urban growth boundary;

15 “(ii) Ten units per net residential acre if sited in a city with a population  
16 of 30,000 or greater;

17 “(iii) Six units per net residential acre if sited in a city with a population  
18 of 2,500 or greater and less than 30,000; or

19 “(iv) Five units per net residential acre if sited in a city with a population  
20 less than 2,500;

21 “(b) Designate within the site:

22 “(A) Recreation and open space lands; and

23 “(B) Lands for commercial uses, either separate or as a mixed use, that:

24 “(i) Primarily serve the immediate surrounding housing;

25 “(ii) Provide goods and services at a smaller scale than provided on typ-  
26 ical lands zoned for commercial use; and

27 “(iii) Are provided at the minimum amount necessary to support and in-  
28 tegrate viable commercial and residential uses;

29 “(c) If the city has a population of 5,000 or greater, include a transpor-  
30 tation network for the site that provides diverse transportation options, in-

1 cluding walking, bicycling and transit use if public transit services are  
2 available, as well as sufficient connectivity to existing and planned trans-  
3 portation network facilities as shown in the local government’s transporta-  
4 tion system plan as defined in Land Conservation and Development  
5 Commission rules;

6 “(d) Demonstrate that protective measures will be applied to the site  
7 consistent with the statewide land use planning goals for:

8 “(A) Open spaces, scenic and historic areas or natural resources;

9 “(B) Air, water and land resources quality;

10 “(C) Areas subject to natural hazards;

11 “(D) The Willamette River Greenway;

12 “(E) Estuarine resources;

13 “(F) Coast shorelands; or

14 “(G) Beaches and dunes;

15 “(e) Include [*a binding agreement*] **assurances that the site will be**  
16 **served with all necessary urban services as defined in ORS 195.065, in-**  
17 **cluding through:**

18 “(A) **Agreements** among the city, each owner within the site and any  
19 other necessary public or private utility provider, local government or dis-  
20 trict, as defined in ORS 195.060, or combination of local governments and  
21 districts [*that the site will be served with all necessary urban services as de-*  
22 *fin ed in ORS 195.065, or an equivalent assurance; and*];

23 “(B) **Letters from utility providers showing a capacity and willing-**  
24 **ness to provide services; or**

25 “(C) **Equivalent assurances; and**

26 “(f) Include requirements that ensure that:

27 “(A) At least 30 percent of the residential units are subject to  
28 affordability restrictions, including but not limited to affordable housing  
29 covenants, as described in ORS 456.270 to 456.295, that require for a period  
30 of not less than 60 years that the units be:

1 “(i) Available for rent, with or without government assistance, by house-  
2 holds with an income of 80 percent or less of the area median income as  
3 defined in ORS 456.270; or

4 “(ii) Available for purchase, with or without government assistance, by  
5 households with an income of 130 percent or less of the area median income;

6 “(B) The construction of all affordable units has commenced before the  
7 city issues certificates of occupancy to the last 15 percent of market rate  
8 units;

9 “(C) All common areas and amenities are equally available to residents  
10 of affordable units and of market rate units and properties designated for  
11 affordable units are dispersed throughout the site; and

12 “(D) The requirement for affordable housing units is recorded before the  
13 building permits are issued for any property within the site, and the re-  
14 quirements contain financial penalties for noncompliance.

15 “(4) A city may require greater affordability requirements for residential  
16 units than are required under subsection (3)(f)(A) of this section, provided  
17 that the city significantly and proportionally offsets development costs re-  
18 lated to:

19 “(a) Permits or fees;

20 “(b) System development charges;

21 “(c) Property taxes; or

22 “(d) Land acquisition and predevelopment costs.

23 “**SECTION 7.** Section 57, chapter 110, Oregon Laws 2024, is amended to  
24 read:

25 “**Sec. 57.** (1) Within 21 days after the adoption of an amendment to an  
26 urban growth boundary or the adoption or amendment of a conceptual plan  
27 under sections 49 to 59, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*],  
28 and the approval by a county if required under section 50 (2), **chapter 110,**  
29 **Oregon Laws 2024** [*of this 2024 Act*], the conceptual plan or amendment  
30 must be submitted to the Department of Land Conservation and Development

1 for review. The submission must be made by:

2 “(a) The city, for an amendment under section 50 or 58, **chapter 110,**  
3 **Oregon Laws 2024** [*of this 2024 Act*]; or

4 “(b) Metro, for an amendment under section 51 or 58, **chapter 110,**  
5 **Oregon Laws 2024** [*of this 2024 Act*].

6 “(2) Within 60 days after receiving a submittal under subsection (1) of this  
7 section, the department shall:

8 “(a) Review the submittal for compliance with the provisions of sections  
9 49 to 59, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*].

10 “(b)(A) If the submittal substantially complies with the provisions of  
11 sections 49 to 59, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*], issue  
12 an order approving the submittal; or

13 “(B) If the submittal does not substantially comply with the provisions  
14 of sections 49 to 59, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*], issue  
15 an order remanding the submittal to the city or to Metro with a specific  
16 determination of deficiencies in the submittal and with sufficient detail to  
17 identify a specific remedy for any deficiency in a subsequent resubmittal.

18 “(3) If a conceptual plan is remanded to Metro under subsection (2)(b) of  
19 this section:

20 “(a) The department shall notify the city; and

21 “(b) The city may amend its conceptual plan and resubmit a petition to  
22 Metro under section 51, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*].

23 “(4) Judicial review of the department’s order:

24 “(a) Must be as a review of orders other than a contested case under ORS  
25 183.484; and

26 “(b) May be initiated only by the city or an owner of a proposed site **that**  
27 **was submitted to the department.**

28 “(5) Following the approval of a submittal under this section, a local  
29 government must include the added lands in any future inventory of  
30 buildable lands or determination of housing capacity under ORS 197A.270,



1 197A.280, 197A.335 or 197A.350.”.

2 In line 10, delete “4” and insert “8”.

3 After line 35, insert:

4 **“SECTION 9. Section 10 of this 2025 Act is added to and made a part**  
5 **of sections 24 to 35, chapter 110, Oregon Laws 2024.**

6 **“SECTION 10. (1) For purposes of sections 24 to 35, chapter 110,**  
7 **Oregon Laws 2024, a sponsoring jurisdiction may enter into a loan**  
8 **agreement with the Housing and Community Services Department**  
9 **under section 28, chapter 110, Oregon Laws 2024, under which the**  
10 **sponsoring jurisdiction pledges a source of revenue or other funding**  
11 **or financing in repayment of the total amount due as determined un-**  
12 **der section 28 (2), chapter 110, Oregon Laws 2024.**

13 **“(2) For each amount made by the sponsoring jurisdiction in re-**  
14 **payment of a loan authorized under this section, the treasurer of the**  
15 **county in which the eligible housing project property is taxable shall:**

16 **“(a) Estimate the amount of operating taxes as defined in ORS**  
17 **310.055 and local option taxes as defined in ORS 310.202 levied by fire**  
18 **districts that would have been collected on the eligible housing project**  
19 **property if the property were not exempt under section 30, chapter 110,**  
20 **Oregon Laws 2024;**

21 **“(b) Distribute out of the repayment the amounts determined under**  
22 **paragraph (a) of this subsection to the respective fire districts when**  
23 **other ad valorem property taxes are distributed under ORS 311.395; and**

24 **“(c) Transfer the net repayment amounts to the department for**  
25 **deposit in the Housing Project Revolving Loan Fund established under**  
26 **section 35, chapter 110, Oregon Laws 2024.**

27 **“(3) A developer awarded a grant under section 26, chapter 110,**  
28 **Oregon Laws 2024, from a sponsoring jurisdiction that has entered into**  
29 **a loan agreement under subsection (1) of this section is not liable for**  
30 **payment of a fee under section 32, chapter 110, Oregon Laws 2024, with**

1 **respect to the eligible housing project for which the grant was**  
2 **awarded.**

3 **“SECTION 11.** Section 25, chapter 110, Oregon Laws 2024, is amended to  
4 read:

5 **“Sec. 25.** (1)(a) A sponsoring jurisdiction may adopt by ordinance or re-  
6 solution a program under which the sponsoring jurisdiction awards grants  
7 to developers for eligible costs.

8 **“(b)** Before adopting the program, the sponsoring jurisdiction shall con-  
9 sult with the governing body of any city or county with territory inside the  
10 boundaries of the sponsoring jurisdiction.

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

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

14 **“(b)** Any eligibility requirements to be imposed on projects and developers  
15 in addition to those required under sections 24 to 35 [*of this 2024 Act*],  
16 **chapter 110, Oregon Laws 2024.**

17 **“(3)** A grant award:

18 **“(a)** Shall be in the amount determined under section 26 (3) [*of this 2024*  
19 *Act*], **chapter 110, Oregon Laws 2024;** and

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

23 **“(4)(a)** [*Eligible housing project property for which a developer receives a*  
24 *grant for eligible costs may not be granted any exemption, partial exemption*  
25 *or special assessment of ad valorem property taxes other than the exemption*  
26 *granted under section 30 of this 2024 Act.*] **An exemption granted under**  
27 **section 30, chapter 110, Oregon Laws 2024, is in addition to and not in**  
28 **lieu of any other property tax limit, exemption or partial exemption,**  
29 **special assessment, credit or deferral that the eligible housing project**  
30 **property may be granted.**

1       “(b) A sponsoring jurisdiction may award a grant to a developer  
2 under section 26, chapter 110, Oregon Laws 2024, for an eligible housing  
3 project that is located in an urban renewal area in accordance with  
4 the provisions of ORS chapter 457.

5       “(5) A sponsoring jurisdiction may amend an ordinance or resolution  
6 adopted pursuant to this section at any time. The amendments shall apply  
7 only to applications submitted under section 26 [of this 2024 Act], chapter  
8 110, Oregon Laws 2024, on or after the effective date of the ordinance or  
9 resolution.

10       “**SECTION 12.** Section 26, chapter 110, Oregon Laws 2024, is amended to  
11 read:

12       “**Sec. 26.** (1)(a) A sponsoring jurisdiction that adopts a grant program  
13 pursuant to section 25 [of this 2024 Act], chapter 110, Oregon Laws 2024,  
14 shall prescribe an application process, including forms and deadlines, by  
15 which a developer may apply for a grant with respect to an eligible housing  
16 project.

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

18       “(A) A description of the eligible housing project;

19       “(B) A detailed explanation of the affordability of the eligible housing  
20 project;

21       “(C) An itemized description of the eligible costs for which the grant is  
22 sought;

23       “(D) The proposed schedule for completion of the eligible housing project;

24       “(E) A project pro forma demonstrating that the project would not be  
25 economically feasible but for receipt of the grant moneys; and

26       “(F) Any other information, documentation or attestation that the spon-  
27 soring jurisdiction considers necessary or convenient for the application re-  
28 view process.

29       “(c)(A) The project pro forma under paragraph (b)(E) of this subsection  
30 shall be on a form provided to the sponsoring jurisdiction by the Housing

1 and Community Services Department and made available to grant applicants.

2 “(B) The department may enter into an agreement with a third party to  
3 develop the project pro forma template.

4 “(2)(a) The review of an application under this section shall be completed  
5 within 90 days following the receipt of the application by the sponsoring  
6 jurisdiction.

7 “(b) Notwithstanding paragraph (a) of this subsection:

8 “(A) The sponsoring jurisdiction may in its sole discretion extend the re-  
9 view process beyond 90 days if the volume of applications would make timely  
10 completion of the review process unlikely.

11 “(B) The sponsoring jurisdiction may consult with a developer about the  
12 developer’s application, and the developer, after the consultation, may amend  
13 the application on or before a deadline set by the sponsoring jurisdiction.

14 “(3) The sponsoring jurisdiction shall:

15 “(a) Review each application;

16 “(b) **Provide the tax officers of the county in which the eligible**  
17 **housing project property is located with the estimated real market**  
18 **value and tax lot information of the property;**

19 “[*b*] (c) Request that the county tax officers provide to the sponsoring  
20 jurisdiction the [*amounts*] **increment** determined under section 27 [*of this*  
21 *2024 Act*], **chapter 110, Oregon Laws 2024;**

22 “[*c*] (d) Set the term of the loan that will fund the grant award for a  
23 period not to exceed the greater of:

24 “(A) Ten years following July 1 of the first property tax year for which  
25 the completed eligible housing project property is estimated to be taken into  
26 account; or

27 “(B) If agreed upon by the sponsoring jurisdiction and the department, the  
28 period required for the loan principal, and fees, **if any**, to be repaid in full;

29 “[*d*] (e) Set the amount of the grant that may be awarded to the devel-  
30 oper under section 29 (2) [*of this 2024 Act*], **chapter 110, Oregon Laws 2024,**

1 by multiplying the increment determined under section 27 [(1)(c) of this 2024  
2 Act], **chapter 110, Oregon Laws 2024**, by the term of the loan; and

3 “[e)(A)] (f)(A) Provisionally approve the application as submitted;

4 “(B) Provisionally approve the application on terms other than those re-  
5 quested in the application; or

6 “(C) Reject the application.

7 “(4)(a) The sponsoring jurisdiction shall forward provisionally approved  
8 applications to the Housing and Community Services Department.

9 “(b) The department shall review the provisionally approved applications  
10 for completeness, including, but not limited to, the completeness of the  
11 project pro forma submitted with the application under subsection (1)(b)(E)  
12 of this section and the [amounts] **increment** computed under section 27 [(1)  
13 of this 2024 Act], **chapter 110, Oregon Laws 2024**, and notify the sponsoring  
14 jurisdiction of its determination.

15 “(5)(a) If the department has determined that a provisionally approved  
16 application is incomplete, the sponsoring jurisdiction may:

17 “(A) Consult with the applicant developer and reconsider the provi-  
18 sionally approved application after the applicant revises it; or

19 “(B) Reject the provisionally approved application.

20 “(b) If the department has determined that a provisionally approved ap-  
21 plication is complete, the approval shall be final.

22 “(c) The sponsoring jurisdiction shall notify each applicant and the de-  
23 partment of the final approval or rejection of an application and the amount  
24 of the grant award.

25 “(d) The rejection of an application and the amount of a grant award may  
26 not be appealed, but a developer may reapply for a grant at any time within  
27 the applicable deadlines of the grant program for the same or another eligi-  
28 ble housing project.

29 “(6) Upon request by a sponsoring jurisdiction, the department may assist  
30 the sponsoring jurisdiction with, or perform on behalf of the sponsoring ju-

1 jurisdiction, any duty required under this section.

2 **“SECTION 13.** Section 27, chapter 110, Oregon Laws 2024, is amended to  
3 read:

4 **“Sec. 27.** (1) Upon request of the sponsoring jurisdiction under section  
5 26 [(3)(b) of this 2024 Act] (3)(c), **chapter 110, Oregon Laws 2024**, the  
6 assessor of the county in which is located the eligible housing project to  
7 which an application being reviewed under section 26 [of this 2024 Act],  
8 **chapter 110, Oregon Laws 2024**, relates shall:

9 “(a) Using the last certified assessment roll for the property tax year in  
10 which the application is received under section 26 [of this 2024 Act], **chapter**  
11 **110, Oregon Laws 2024**:

12 “(A) Determine the amount of property taxes assessed against all tax ac-  
13 counts that include the eligible housing project property; and

14 “(B) Subtract the amount of operating taxes as defined in ORS 310.055 and  
15 local option taxes as defined in ORS 310.202 levied by fire districts from the  
16 amount determined under subparagraph (A) of this paragraph.

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

19 “(A) Determine the estimated amount of property taxes that will be as-  
20 sessed against all tax accounts that include the eligible housing project  
21 property; and

22 “(B) Subtract the estimated amount of operating taxes and local option  
23 taxes levied by fire districts from the **estimated** amount determined under  
24 subparagraph (A) of this paragraph.

25 “(c) Determine the amount of the increment that results from subtracting  
26 the amount determined under subsection (1)(a) of this section from the **esti-**  
27 **mated** amount determined under subsection (1)(b) of this section.

28 “(2) As soon as practicable after determining [amounts] **the increment**  
29 under this section, the county tax officers shall provide written notice **of the**  
30 **increment** to the sponsoring jurisdiction [of the amounts].

1        **“SECTION 14.** Section 28, chapter 110, Oregon Laws 2024, is amended to  
2 read:

3        **“Sec. 28.** (1)(a) The Housing and Community Services Department shall  
4 develop a program to make loans to sponsoring jurisdictions to fund grants  
5 awarded under the sponsoring jurisdiction’s grant program adopted pursuant  
6 to section 25 [*of this 2024 Act*], **chapter 110, Oregon Laws 2024.**

7        “(b) The loans shall be interest free for the term set by the sponsoring  
8 jurisdiction under section 26 [(3)(c) *of this 2024 Act*], **chapter 110, Oregon**  
9 **Laws 2024.**

10       “(2) For each application approved under section 26 (5)(b) [*of this 2024*  
11 *Act*], **chapter 110, Oregon Laws 2024**, the Housing and Community Services  
12 Department shall:

13       “(a) Enter into a loan agreement with the sponsoring jurisdiction for a  
14 payment in an amount equal to the total of:

15       “(A) Loan proceeds in an amount equal to the grant award for the appli-  
16 cation set under section 26 (3) [(3)(d) *of this 2024 Act*], **chapter 110, Oregon**  
17 **Laws 2024**; and

18       “(B) The administrative costs set forth in subsection (3) of this section;  
19 and

20       “(b) Pay to the sponsoring jurisdiction the total amount set forth in par-  
21 agraph (a) of this subsection out of the Housing Project Revolving Loan  
22 Fund established under section 35 [*of this 2024 Act*], **chapter 110, Oregon**  
23 **Laws 2024.**

24       “(3) The administrative costs referred to in subsection (2)(a)(B) of this  
25 section are:

26       “(a) An amount not greater than five percent of the loan proceeds to re-  
27 imburse the sponsoring jurisdiction for the costs of administering the grant  
28 program, other than the costs of tax administration; and

29       “(b) An amount equal to one percent of the loan proceeds to be trans-  
30 ferred to the county in which the sponsoring jurisdiction is situated to re-

1 imburse the county for the costs of the tax administration of the grant  
2 program by the county tax officers.

3 “(4) The Housing and Community Services Department may assign any  
4 and all loan amounts made under this section to the Department of Revenue  
5 for collection as provided in ORS 293.250.

6 “(5) The Housing and Community Services Department may:

7 “(a) Consult with the Oregon Business Development Department about  
8 any of the powers and duties conferred on the Housing and Community Ser-  
9 vices Department by sections 24 to 35 [*of this 2024 Act*], **chapter 110,**  
10 **Oregon Laws 2024**; and

11 “(b) Adopt any rule it considers necessary or convenient for the adminis-  
12 tration of sections 24 to 35 [*of this 2024 Act*], **chapter 110, Oregon Laws**  
13 **2024**, by the Housing and Community Services Department.

14 “**SECTION 15.** Section 29, chapter 110, Oregon Laws 2024, is amended to  
15 read:

16 “**Sec. 29.** (1) Upon entering into a loan agreement with the Housing and  
17 Community Services Department under section 28 [*of this 2024 Act*], **chapter**  
18 **110, Oregon Laws 2024**, a sponsoring jurisdiction shall offer a grant agree-  
19 ment to each developer whose application was approved under section 26  
20 (5)(b) [*of this 2024 Act*], **chapter 110, Oregon Laws 2024**.

21 “(2) The grant agreement shall:

22 “(a) Include a grant award in the amount set under section 26 (3) [(3)(d)]  
23 [*of this 2024 Act*], **chapter 110, Oregon Laws 2024**; and

24 “(b) Contain terms that:

25 “(A) Are required under sections 24 to 35 [*of this 2024 Act*], **chapter 110,**  
26 **Oregon Laws 2024**, or the ordinance or resolution adopted by the sponsoring  
27 jurisdiction pursuant to section 25 [*of this 2024 Act*], **chapter 110, Oregon**  
28 **Laws 2024**.

29 “(B) Do not conflict with sections 24 to 35 [*of this 2024 Act*], **chapter 110,**  
30 **Oregon Laws 2024**, or the ordinance or resolution adopted by the sponsoring



1 jurisdiction pursuant to section 25 [*of this 2024 Act*], **chapter 110, Oregon**  
2 **Laws 2024**.

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

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

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

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

10 “(d) Written notice that the eligible housing project property is exempt  
11 from property taxation in accordance with section 30 [*of this 2024 Act*],  
12 **chapter 110, Oregon Laws 2024**; and

13 “(e) A statement declaring that the grant has been awarded in response  
14 to the housing needs of communities within the sponsoring jurisdiction.

15 “(4) Unless otherwise specified in the grant agreement, as soon as prac-  
16 ticable after the ordinance or resolution required under subsection (3) of this  
17 section becomes effective, the sponsoring jurisdiction shall distribute the  
18 loan proceeds received from the department under section 28 (2)(a)(A) [*of this*  
19 *2024 Act*], **chapter 110, Oregon Laws 2024**, to the developer as the grant  
20 moneys awarded under this section.

21 “(5) The sponsoring jurisdiction shall forward to the tax officers of the  
22 county in which the eligible housing project is located a copy of the grant  
23 agreement, the ordinance or resolution and any other material the sponsor-  
24 ing jurisdiction considers necessary for the tax officers to perform their du-  
25 ties under sections 24 to 35 [*of this 2024 Act*], **chapter 110, Oregon Laws**  
26 **2024**, or the ordinance or resolution.

27 “(6) Upon request, the department may assist the sponsoring jurisdiction  
28 with, or perform on behalf of the sponsoring jurisdiction, any duty required  
29 under this section.

30 **“SECTION 16.** Section 30, chapter 110, Oregon Laws 2024, is amended to

1 read:

2 “**Sec. 30.** (1) Upon receipt of the copy of a grant agreement and ordinance  
3 or resolution from the sponsoring jurisdiction under section 29 (5) [*of this*  
4 *2024 Act*], **chapter 110, Oregon Laws 2024**, the assessor of the county in  
5 which eligible housing project property is located shall:

6 “(a) Exempt the eligible housing project property in accordance with this  
7 section;

8 “(b) Assess and tax the nonexempt property in the tax account as other  
9 similar property is assessed and taxed; and

10 “(c) Submit a written report to the sponsoring jurisdiction setting forth  
11 the assessor’s estimate of the amount of:

12 “(A) The real market value of the exempt eligible housing project prop-  
13 erty; and

14 “(B) The property taxes on the exempt eligible housing project property  
15 that would have been collected if the property were not exempt.

16 “(2)(a) The exemption shall first apply to the first property tax year that  
17 begins after completion of the eligible housing project to which the grant  
18 relates.

19 “(b) The eligible housing project property shall be disqualified from the  
20 exemption on the earliest of:

21 “(A) July 1 of the property tax year immediately succeeding the date on  
22 which the fee payment obligation under section 32 [*of this 2024 Act*], **chapter**  
23 **110, Oregon Laws 2024**, that relates to the eligible housing project, **if any**,  
24 is repaid in full;

25 “(B) The date on which the annual fee imposed on the fee payer under  
26 section 32 [*of this 2024 Act*], **chapter 110, Oregon Laws 2024**, **if any**, be-  
27 comes delinquent;

28 “(C) The date on which foreclosure proceedings are commenced as pro-  
29 vided by law for delinquent nonexempt taxes assessed with respect to the tax  
30 account that includes the eligible housing project; or

1 “(D) The date on which a condition specified in section 33 (1) [*of this 2024*  
2 *Act*], **chapter 110, Oregon Laws 2024**, occurs.

3 “(c) After the eligible housing project property has been disqualified from  
4 the exemption under this subsection, the property shall be assessed and taxed  
5 as other similar property is assessed and taxed.

6 “(3) For each tax year that the eligible housing project property is exempt  
7 from taxation, the assessor shall enter a notation on the assessment roll  
8 stating:

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

10 “(b) The presumptive number of property tax years for which the ex-  
11 emption is granted, which shall be the term of the loan agreement relating  
12 to the eligible housing project set under section 26 [(3)(c) *of this 2024 Act*],  
13 **chapter 110, Oregon Laws 2024**.

14 “**SECTION 17.** Section 31, chapter 110, Oregon Laws 2024, is amended to  
15 read:

16 “**Sec. 31.** (1) Repayment of loans made under section 28 [*of this 2024*  
17 *Act*], **chapter 110, Oregon Laws 2024**, shall begin, in accordance with sec-  
18 tion 32 [*of this 2024 Act*], **chapter 110, Oregon Laws 2024**, after completion  
19 of the eligible housing project funded by the grant to which the loan  
20 relates, **or after another date or circumstance as fixed by the parties**  
21 **to an agreement under section 10 of this 2025 Act**.

22 “(2)(a) The sponsoring jurisdiction shall determine the date of completion  
23 of an eligible housing project.

24 “(b)(A) If an eligible housing project is completed before July 1 of the  
25 assessment year, repayment shall begin with the property tax year that be-  
26 gins on July 1 of the assessment year.

27 “(B) If an eligible housing project is completed on or after July 1 of the  
28 assessment year, repayment shall begin with the property tax year that be-  
29 gins on July 1 of the succeeding assessment year.

30 “(c) After determining the date of completion under paragraph (a) of this

1 subsection, the sponsoring jurisdiction shall notify the Housing and Com-  
2 munity Services Department and the county tax officers of the determination.

3 “(3) A loan shall remain outstanding until repaid in full.

4 **“SECTION 18.** Section 32, chapter 110, Oregon Laws 2024, is amended to  
5 read:

6 **“Sec. 32. (1) Unless repayment of the loan made under section 28,**  
7 **chapter 110, Oregon Laws 2024, has been otherwise provided for under**  
8 **section 10 of this 2025 Act,** the fee payer for eligible housing project  
9 property that has been granted exemption under section 30 [*of this 2024*  
10 *Act*], **chapter 110, Oregon Laws 2024,** shall pay an annual fee for the term  
11 that shall be the presumptive number of years for which the property is  
12 granted exemption under section 30 (3)(b) [*of this 2024 Act*], **chapter 110,**  
13 **Oregon Laws 2024.**

14 “(2)(a) The amount of the fee for the first property tax year in which re-  
15 payment of the loan is due under section 31 (1) [*of this 2024 Act*], **chapter**  
16 **110, Oregon Laws 2024,** shall equal the total of:

17 “(A) The portion of the increment determined under section 27 [(1)(c) *of*  
18 *this 2024 Act*], **chapter 110, Oregon Laws 2024,** that is attributable to the  
19 eligible housing project property to which the fee relates; and

20 “(B) The administrative costs described in section 28 (3) [*of this 2024*  
21 *Act*], **chapter 110, Oregon Laws 2024,** divided by the term of the grant  
22 agreement entered into under section 29 [*of this 2024 Act*], **chapter 110,**  
23 **Oregon Laws 2024.**

24 “(b) For each subsequent property tax year, the amount of the fee shall  
25 be 103 percent of the amount of the fee for the preceding property tax year.

26 “(3)(a) Not later than July 15 of each property tax year during the term  
27 of the fee obligation, the sponsoring jurisdiction shall certify to the assessor  
28 each fee amount that became due under this section on or after July 16 of  
29 the previous property tax year from fee payers with respect to eligible  
30 housing projects located in the sponsoring jurisdiction.

1 “(b) The assessor shall place each fee amount on the assessment and tax  
2 rolls of the county and notify:

3 “(A) The sponsoring jurisdiction of each fee amount and the aggregate  
4 of all fee amounts imposed with respect to eligible housing project property  
5 located in the sponsoring jurisdiction.

6 “(B) The Housing and Community Services Department of each fee  
7 amount and the aggregate of all fee amounts with respect to all eligible  
8 housing project property located in the county.

9 “(4)(a) The assessor shall include on the tax statement of each tax ac-  
10 count that includes exempt eligible housing project property the amount of  
11 the fee imposed on the fee payer with respect to the eligible housing project  
12 property.

13 “(b) The fee shall be collected and enforced in the same manner as ad  
14 valorem property taxes, including nonexempt taxes, are collected and en-  
15 forced.

16 “(5)(a) For each property tax year in which a fee is payable under this  
17 section, the treasurer shall:

18 “(A) Estimate the amount of operating taxes as defined in ORS 310.055  
19 and local option taxes as defined in ORS 310.202 levied by fire districts that  
20 would have been collected on eligible housing project property if the prop-  
21 erty were not exempt;

22 “(B) Distribute out of the fee moneys the **estimated** amounts determined  
23 under subparagraph (A) of this paragraph to the respective fire districts  
24 when other ad valorem property taxes are distributed under ORS 311.395; and

25 “(C) Transfer the net fee moneys to the Housing and Community Services  
26 Department for deposit in the Housing Project Revolving Loan Fund estab-  
27 lished under section 35 [*of this 2024 Act*], **chapter 110, Oregon Laws 2024**,  
28 in repayment of the loans to which the fees relate.

29 “(b) Nonexempt taxes shall be distributed in the same manner as other  
30 ad valorem property taxes are distributed.

1 “(6) Any person with an interest in the eligible housing project property  
2 on the date on which any fee amount becomes due shall be jointly and se-  
3 verally liable for payment of the fee amount.

4 “(7) Any loan amounts that have not been repaid when the fee payer has  
5 discharged its obligations in full under this section remain the obligation  
6 of the sponsoring jurisdiction that obtained the loan from the department  
7 under section 28 [*of this 2024 Act*], **chapter 110, Oregon Laws 2024**.

8 “(8) Any fee amounts collected in excess of the loan amount shall be  
9 distributed in the same manner as other ad valorem property taxes are dis-  
10 tributed.

11 **“SECTION 19.** Section 33, chapter 110, Oregon Laws 2024, is amended to  
12 read:

13 **“Sec. 33.** (1)(a) A developer that received a grant award under section 29  
14 [*of this 2024 Act*], **chapter 110, Oregon Laws 2024**, shall become liable for  
15 immediate payment of [*any*] outstanding annual fee payments, **if any**, im-  
16 posed under section 32 [*of this 2024 Act*], **chapter 110, Oregon Laws 2024**,  
17 for the entire term of the fee if:

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

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

24 “(C) The developer has not complied with a requirement specified in the  
25 grant agreement.

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

28 “(2) If the sponsoring jurisdiction discovers that a developer willfully  
29 made a false statement or misrepresentation or willfully failed to report a  
30 material fact to obtain a grant with respect to an eligible housing project,

1 the sponsoring jurisdiction may impose on the developer a penalty not to  
2 exceed 20 percent of the amount of the grant so obtained, plus any applicable  
3 interest and fees associated with the costs of collection.

4 “(3) Any amounts imposed under subsection (1) or (2) of this section shall  
5 be a lien on the eligible housing project property and the nonexempt prop-  
6 erty in the tax account.

7 “(4) The sponsoring jurisdiction shall provide written notice of any  
8 amounts that become due under subsections (1) and (2) of this section to the  
9 county tax officers and the Housing and Community Services Department.

10 “(5)(a) Any and all amounts required to be paid under this section shall  
11 be considered to be liquidated and delinquent, and the Housing and Com-  
12 munity Services Department shall assign such amounts to the Department  
13 of Revenue for collection as provided in ORS 293.250.

14 “(b) Amounts collected under this subsection shall be deposited, net of  
15 any collection charges, in the Housing Project Revolving Loan Fund estab-  
16 lished under section 35 [*of this 2024 Act*], **chapter 110, Oregon Laws 2024**.

17 **“SECTION 20.** Section 35, chapter 110, Oregon Laws 2024, is amended to  
18 read:

19 **“Sec. 35.** (1) The Housing Project Revolving Loan Fund is established in  
20 the State Treasury, separate and distinct from the General Fund. Interest  
21 earned by the Housing Project Revolving Loan Fund shall be credited to the  
22 fund.

23 “(2) Moneys in the fund may be invested as provided by ORS 293.701 to  
24 293.857, and the earnings from the investments shall be credited to the fund.

25 “(3) Moneys in the Housing Project Revolving Loan Fund shall consist  
26 of:

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

29 “(b) Net fee moneys transferred under section 32 [*of this 2024 Act*],  
30 **chapter 110, Oregon Laws 2024**;

1 “(c) Amounts deposited in the fund under section 33 [*of this 2024 Act*],  
2 **chapter 110, Oregon Laws 2024;**

3 “(d) **Net repayment amounts transferred under section 10 of this**  
4 **2025 Act;**

5 “[*d*] (e) Interest and other earnings received on moneys in the fund; and  
6 “[*e*] (f) Other moneys or proceeds of property from any public or private  
7 source that are transferred, donated or otherwise credited to the fund.

8 “(4) Moneys in the Housing Project Revolving Loan Fund are contin-  
9 uously appropriated to the Housing and Community Services Department for  
10 the purpose of paying amounts determined under section 28 [*of this 2024*  
11 *Act*], **chapter 110, Oregon Laws 2024.**

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

15 “**SECTION 21. This 2025 Act takes effect on the 91st day after the**  
16 **date on which the 2025 regular session of the Eighty-third Legislative**  
17 **Assembly adjourns sine die.”.**

18 \_\_\_\_\_