

House Bill 2440

Sponsored by Representative KRUMMEL

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes school districts to activate urban renewal agencies and adopt urban renewal plans for purpose of funding school construction and improvements.

A BILL FOR AN ACT

1
2 Relating to urban renewal by school districts; amending ORS 332.075, 457.010, 457.035, 457.045,
3 457.085, 457.105, 457.430, 457.440, 457.450 and 457.460.

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

5 **SECTION 1.** ORS 457.010 is amended to read:

6 457.010. As used in this chapter, unless the context requires otherwise:

7 (1) "Blighted areas" means areas that, by reason of deterioration, faulty planning, inadequate
8 or improper facilities, deleterious land use or the existence of unsafe structures, or any combination
9 of these factors, are detrimental to the safety, health or welfare of the community. A blighted area
10 is characterized by the existence of one or more of the following conditions:

11 (a) The existence of buildings and structures, used or intended to be used for living, commercial,
12 industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy
13 for those purposes because of any one or a combination of the following conditions:

14 (A) Defective design and quality of physical construction;

15 (B) Faulty interior arrangement and exterior spacing;

16 (C) Overcrowding and a high density of population;

17 (D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities;

18 or

19 (E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;

20 (b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;

21 (c) The division or subdivision and sale of property or lots of irregular form and shape and in-
22 adequate size or dimensions for property usefulness and development;

23 (d) The laying out of property or lots in disregard of contours, drainage and other physical
24 characteristics of the terrain and surrounding conditions;

25 (e) The existence of inadequate streets and other rights of way, open spaces and utilities;

26 (f) The existence of property or lots or other areas that are subject to inundation by water;

27 (g) A prevalence of depreciated values, impaired investments and social and economic
28 maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are
29 inadequate for the cost of public services rendered;

30 (h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unpro-
31 ductive condition of land potentially useful and valuable for contributing to the public health, safety

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 and welfare; *[or]*

2 (i) A loss of population and reduction of proper utilization of the area, resulting in its further
 3 deterioration and added costs to the taxpayer for the creation of new public facilities and services
 4 elsewhere; **or**

5 **(j) The existence of dilapidated or outdated primary or secondary school facilities or the**
 6 **lack of adequate primary or secondary school facilities.**

7 (2) “Certified statement” means the statement prepared and filed pursuant to ORS 457.430 or
 8 an amendment to the certified statement prepared and filed pursuant to ORS 457.430.

9 (3) “City” means any incorporated city.

10 (4) “Consolidated billing tax rate” means:

11 (a) If the urban renewal plan is an existing urban renewal plan (other than an existing urban
 12 renewal plan designated as an Option Three plan under ORS 457.435 (2)(c) or an urban renewal plan
 13 adopted on or after October 6, 2001, the total of all district tax rates used to extend taxes after any
 14 adjustment to reflect tax offsets under ORS 310.105, but does not include any rate derived from:

15 (A) Any urban renewal special levy under ORS 457.435;

16 (B) A local option tax, as defined in ORS 280.040, that is approved by taxing district electors
 17 after October 6, 2001; or

18 (C) A tax pledged to repay exempt bonded indebtedness (other than exempt bonded indebtedness
 19 used to fund local government pension and disability plan obligations that, until funded by the ex-
 20 empt bonded indebtedness, were described in section 11 (5), Article XI of the Oregon Constitution),
 21 as defined in ORS 310.140, that is approved by taxing district electors after October 6, 2001; and

22 (b) In the case of all other urban renewal plans, the total of all district ad valorem property tax
 23 rates used to extend taxes after any adjustments to reflect tax offsets under ORS 310.105, except
 24 that “consolidated billing tax rate” does not include any urban renewal special levy rate under ORS
 25 457.435.

26 (5)(a) “Existing urban renewal plan” means an urban renewal plan that provides for a division
 27 of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before
 28 December 6, 1996, that:

29 (A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b)
 30 of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A)
 31 or (B), on or after December 6, 1996; and

32 (B) For tax years beginning on or after July 1, 1998, includes the limit on indebtedness as de-
 33 scribed in ORS 457.190 (3).

34 (b) If, on or after July 1, 1998, the maximum limit on indebtedness (adopted by ordinance before
 35 July 1, 1998, pursuant to ORS 457.190) of an existing urban renewal plan is changed by substantial
 36 amendment, then “indebtedness issued or incurred to carry out the existing urban renewal plan” for
 37 purposes of ORS 457.435 includes only the indebtedness within the indebtedness limit adopted by
 38 ordinance under ORS 457.190 (3)(c) before July 1, 1998.

39 (6) “Fiscal year” means the fiscal year commencing on July 1 and closing on June 30.

40 (7) “Governing body of a municipality” means[,]:

41 **(a) In the case of a city, the common council or other legislative body *[thereof, and,] of the city;***

42 **(b) In the case of a county, the board of county commissioners or other legislative body**
 43 ***[thereof] of the county; or***

44 **(c) In the case of a school district, the district school board.**

45 (8) “Housing authority” *[or “authority”]* means any housing authority established pursuant to the

1 Housing Authorities Law.

2 (9) "Increment" means that part of the assessed value of a taxing district attributable to any
 3 increase in the assessed value of the property located in an urban renewal area, or portion thereof,
 4 over the assessed value specified in the certified statement.

5 (10) "Maximum indebtedness" means the amount of the principal of indebtedness included in a
 6 plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance
 7 existing indebtedness.

8 (11) "Municipality" means *[any county or any city]* **any city, county or school district** in this
 9 state. *["The municipality" means the municipality for which a particular urban renewal agency is*
 10 *created.] Unless the context requires otherwise, "municipality" means the city, county or*
 11 **school district that activates an urban renewal agency under ORS 457.035.**

12 (12) "School district" means a common or union high school district.

13 *[(12)]* (13) "Taxing body" or "taxing district" means the state, city, county or any other taxing
 14 unit *[which]* **that** has the power to levy a tax.

15 *[(13)]* (14) "Urban renewal agency" *[or "agency"]* means an urban renewal agency created under
 16 ORS 457.035 and 457.045.

17 *[(14)]* (15) "Urban renewal area" means a blighted area included in an urban renewal plan or
 18 an area included in an urban renewal plan under ORS 457.160.

19 *[(15) "Urban renewal project" or "project" means any work or undertaking carried out under ORS*
 20 *457.170 in an urban renewal area.]*

21 (16) "Urban renewal plan" *[or "plan"]* means a plan, as it exists or is changed or modified from
 22 time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105,
 23 457.115, 457.120, 457.125, 457.135 and 457.220.

24 (17) "Urban renewal project" means any work or undertaking carried out under ORS
 25 **457.170 in an urban renewal area.**

26 **SECTION 2.** ORS 457.035 is amended to read:

27 457.035. (1) In each municipality, as defined in ORS 457.010, there hereby is created a public
 28 body corporate and politic to be known as the "urban renewal agency" of the municipality. How-
 29 ever, the urban renewal agency *[shall]* **may** not exercise its powers until or unless the governing
 30 body of the municipality, by nonemergency ordinance, declares that blighted areas exist in the
 31 municipality and that there is need for an urban renewal agency to function in the municipality and
 32 elects to have the powers of an urban renewal agency exercised in any of the three ways provided
 33 in ORS 457.045.

34 (2) **Upon activation under subsection (1) of this section,** an urban renewal agency¹, *upon*
 35 *activation under subsection (1) of this section,* **that is activated by a municipality that is not a**
 36 **school district** shall have authority to exercise its powers within the same area of operation given
 37 a housing authority of the municipality under ORS 456.060.

38 **SECTION 3.** ORS 457.045 is amended to read:

39 457.045. The governing body of a municipality shall, in the ordinance adopted under ORS
 40 457.035, elect to have the powers of an urban renewal agency under this chapter exercised in one
 41 of the following ways:

42 (1) By a housing authority of the municipality established pursuant to the Housing Authorities
 43 Law in which case the name of the body corporate and politic shall be the "housing authority and
 44 urban renewal agency" of the municipality. **This subsection does not apply if the municipality**
 45 **that activates the urban renewal agency is a school district.**

1 (2) By appointing a board or commission composed of not less than three members.

2 (3) By the governing body, itself, provided, however, that any act of the governing body acting
3 as the urban renewal agency shall be, and shall be considered, the act of the urban renewal agency
4 only and not of the governing body.

5 **SECTION 4.** ORS 457.085 is amended to read:

6 457.085. (1) An urban renewal agency shall provide for public involvement in all stages in the
7 development of an urban renewal plan.

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

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

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

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

15 (d) An explanation of its relationship to definite local objectives regarding appropriate land uses
16 and improved traffic, public transportation, public utilities, telecommunications utilities, recreational
17 and community facilities, **educational facilities** and other public improvements.

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

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

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

25 (h) If the plan provides for a division of ad valorem taxes under ORS 457.420 to 457.460, the
26 maximum amount of indebtedness that can be issued or incurred under the plan.

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

30 (A) Adding land to the urban renewal area, except for an addition of land that totals not more
31 than one percent of the existing area of the urban renewal area.

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

34 (j) For a project which includes a public building, an explanation of how the building serves or
35 benefits the urban renewal area.

36 (3) An urban renewal plan shall be accompanied by a report which shall contain:

37 (a) A description of physical, social and economic conditions in the urban renewal areas of the
38 plan and the expected impact, including the fiscal impact, of the plan in light of added services or
39 increased population;

40 (b) Reasons for selection of each urban renewal area in the plan;

41 (c) The relationship between each project to be undertaken under the plan and the existing
42 conditions in the urban renewal area;

43 (d) The estimated total cost of each project and the sources of moneys to pay such costs;

44 (e) The anticipated completion date for each project;

45 (f) The estimated amount of money required in each urban renewal area under ORS 457.420 to

1 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for
 2 under ORS 457.420 to 457.460;

3 (g) A financial analysis of the plan with sufficient information to determine feasibility;

4 (h) A fiscal impact statement that estimates the impact of the tax increment financing, both until
 5 and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban re-
 6 newal area; and

7 (i) A relocation report which shall include:

8 (A) An analysis of existing residents or businesses required to relocate permanently or tempo-
 9 rarily as a result of agency actions under ORS 457.170;

10 (B) A description of the methods to be used for the temporary or permanent relocation of per-
 11 sons living in, and businesses situated in, the urban renewal area in accordance with ORS 35.500
 12 to 35.530; and

13 (C) An enumeration, by cost range, of the existing housing units in the urban renewal areas of
 14 the plan to be destroyed or altered and new units to be added.

15 **(4) A plan proposed by an urban renewal agency activated by a school district shall pro-**
 16 **pose only projects related to the construction or improvement of school facilities.**

17 [(4)] **(5)(a)** An urban renewal plan and accompanying report shall be forwarded to the planning
 18 commission of the municipality for recommendations, prior to presenting the plan to the governing
 19 body of the municipality for approval under ORS 457.095.

20 **(b) This subsection does not apply to an urban renewal agency that is activated by a**
 21 **school district.**

22 [(5)] **(6)** An urban renewal plan and accompanying report shall be forwarded to the governing
 23 body of each taxing district affected by the urban renewal plan and the agency shall consult and
 24 confer with the taxing districts prior to presenting the plan to the governing body of the munici-
 25 pality for approval under ORS 457.095. Any written recommendations of the governing body of each
 26 taxing district shall be accepted, rejected or modified by the governing body of the municipality in
 27 adopting the plan.

28 [(6) No] **(7) An** urban renewal plan [shall] **may not** be carried out until the plan has been ap-
 29 proved by the governing body of each municipality pursuant to ORS 457.095 and 457.105.

30 **SECTION 5.** ORS 457.105 is amended to read:

31 457.105. **(1)** In addition to the approval of [a] **an urban renewal** plan by the governing body of
 32 the municipality under ORS 457.095, when any portion of the area of a proposed urban renewal plan
 33 extends beyond the boundaries of the municipality into any other municipality and, in the case of
 34 a proposed plan by a county agency, when any portion of such area is within the boundaries of a
 35 city, the governing body of the other municipality may approve the plan and may do so by resol-
 36 ution, rather than by ordinance. A proposed plan for an urban renewal area which is wholly within
 37 the boundaries of a city, or which is wholly within the boundaries of a county and does not include
 38 any area within the boundaries of a city, must be approved only by the governing body of the
 39 municipality in accordance with ORS 457.095.

40 **(2) Subsection (1) of this section does not apply to a plan proposed by an urban renewal**
 41 **agency activated by a school district. The urban renewal area of an agency activated by a**
 42 **school district may not extend beyond the boundaries of the school district.**

43 **SECTION 6.** ORS 457.430 is amended to read:

44 457.430. (1) As soon as practicable after the approval of [a] **an urban renewal** plan containing
 45 a provision authorized by ORS 457.420, the county assessor of each county in which an urban re-

1 newal area is located shall prepare, in duplicate, a certified statement of the total assessed value,
 2 as shown on the county assessment roll last certified prior to the effective date of the ordinance
 3 approving the plan, of all of the taxable real and personal property contained in the urban renewal
 4 area in the county.

5 (2) Wherever only a part of an urban renewal area is located in a taxing district, the assessor
 6 also shall show in the statement required by subsection (1) of this section the assessed value of the
 7 real and personal property in the part of the urban renewal area located in the taxing district.

8 (3) One copy of the certified statement shall be filed by the assessor with the **urban renewal**
 9 agency and the other copy shall constitute a part of the public records of the county assessor's of-
 10 fice.

11 (4) Whenever a part of an urban renewal area comes within the territory of a taxing district
 12 either by annexation, incorporation of a new taxing district or consolidation, after the approval of
 13 a plan containing a provision authorized by ORS 457.420, the county assessor shall in the same
 14 manner as under subsection (3) of this section file a certified statement or an amendment to a cer-
 15 tified statement to show the assessed value of the real and personal property in that part of the
 16 urban renewal area incorporated by annexation or consolidation into the taxing district. The as-
 17 sessed value of the real and personal property so incorporated shall be determined in the same
 18 manner and as of the same date as provided in subsections (1) and (2) of this section.

19 (5) When a certified statement is filed as required by subsection (1) of this section, if the law
 20 provides a reduction or increase of the valuation for tax purposes of the taxable property contained
 21 in the urban renewal area at the time of the filing, the assessor shall state the total assessed value
 22 as it is so reduced or increased. After a certified statement has been filed as required by subsection
 23 (1) of this section, if a law is enacted which provides a reduction or increase of the valuation for
 24 tax purposes of the taxable property contained in the urban renewal area at the time the certified
 25 statement was filed, the assessor shall amend the certified statement annually or as otherwise re-
 26 quired to reduce or increase the stated total assessed value of the real and personal property ac-
 27 cordingly. An amendment to the certified statement shall be filed in the manner provided by
 28 subsections (3) and (4) of this section.

29 (6)(a) Subject to subsections (4) and (5) of this section and paragraph (b) of this subsection, all
 30 certified statements and amendments thereto filed under this section before July 14, 1997, shall
 31 continue to remain in effect.

32 (b) Effective as of the tax year beginning on July 1, 1997, the assessor shall amend the amount
 33 of assessed value included in a certified statement by applying to the certified assessed value of each
 34 tax code area located within an urban renewal area the percentage obtained by dividing the total
 35 assessed value within the tax code area, including growth in assessed value over the certified as-
 36 sessed value, by the total real market value within the tax code area.

37 **SECTION 7.** ORS 457.440 is amended to read:

38 457.440. During the period specified under ORS 457.450:

39 (1) The county assessor shall determine the amount of funds to be raised each year for urban
 40 renewal within the county levied by taxing districts in accordance with section 1c, Article IX of the
 41 Oregon Constitution, and ORS 457.420 to 457.460.

42 (2) Not later than July 15 of each tax year, each urban renewal agency shall determine and file
 43 with the county assessor a notice stating the amount of funds to be raised for each urban renewal
 44 area as follows:

45 (a) If the municipality that activated the urban renewal agency has chosen Option One as pro-

1 vided in ORS 457.435 (2)(a), the notice shall state that the maximum amount of funds that may be
2 raised by dividing the taxes under section 1c, Article IX of the Oregon Constitution, shall be raised
3 for the agency.

4 (b) If the municipality that activated the urban renewal agency has chosen Option Two as pro-
5 vided in ORS 457.435 (2)(b), the notice shall state the amount of funds to be raised by the special
6 levy.

7 (c) If the municipality that activated the urban renewal agency has chosen Option Three as
8 provided in ORS 457.435 (2)(c), the notice shall state the amount of funds to be raised by special levy
9 in addition to the amount to be raised by dividing the taxes as stated in the ordinance adopted under
10 ORS 457.435 (1).

11 (d) If the **urban renewal** plan is not an existing plan, the notice shall state that the maximum
12 amount of funds that may be raised by dividing the taxes under section 1c, Article IX of the Oregon
13 Constitution, shall be raised for the agency.

14 (3) If a municipality has chosen Option Three pursuant to ORS 457.435, the maximum amount
15 of funds that may be raised for an urban renewal agency by dividing the taxes as provided in section
16 1c, Article IX of the Oregon Constitution, may be limited by the municipality in which the urban
17 renewal agency is located. The decision of the municipality to limit the amount of funds to be in-
18 cluded in the notice filed under subsection (2) of this section shall be reflected in the certified
19 statement filed by the urban renewal agency with the county assessor.

20 (4) Not later than September 25 of each tax year, the assessor of any county in which a joint
21 district is located shall provide, to the assessor of each other county in which the joint district is
22 located, the assessed values of the property in the joint district that is located within the county,
23 including the certified statement value and the increment for each code area containing any urban
24 renewal area located within the joint district, and a copy of the notice filed by the urban renewal
25 agency for the area located within the joint district under subsection (2) of this section.

26 (5) The maximum amount of funds that may be raised for an urban renewal plan by dividing the
27 taxes as provided in section 1c, Article IX of the Oregon Constitution, shall be computed by the
28 county assessor as follows:

29 (a) The county assessor shall compute the total consolidated billing tax rate for each code area
30 in which an urban renewal area of the plan is located.

31 (b) The assessor shall determine the amount of taxes that would be produced by extending the
32 tax rate computed under paragraph (a) of this subsection against the increment of each code area.

33 (c) The total amount determined for all code areas containing urban renewal areas included
34 within the urban renewal plan is the maximum amount of funds to be raised for the urban renewal
35 plan by dividing the taxes.

36 (6)(a) The maximum amount of funds that may be raised for an urban renewal agency as deter-
37 mined under subsection (5) of this section, or the maximum amount, as determined under subsection
38 (2) of this section, shall be certified by the county assessor to the tax collector. The tax collector
39 shall include the amount so certified in the percentage schedule of the ratio of taxes on property
40 prepared under ORS 311.390 and filed with the county treasurer. Notwithstanding ORS 311.395 (6),
41 the county treasurer shall credit the amount to the urban renewal agency and shall distribute its
42 percentage amount to the urban renewal agency as determined by the schedule at the times other
43 distributions are made under ORS 311.395 (7).

44 (b) The county assessor shall notify the urban renewal agency of the amounts received under
45 subsection (5) of this section or amounts received pursuant to the notice provided in subsection (2)

1 of this section for each urban renewal plan area. Any amounts received by the urban renewal
 2 agency under paragraph (a) of this subsection shall be attributed to the urban renewal plan in which
 3 the urban renewal area is included, shall be paid into a special fund of the urban renewal agency
 4 for the urban renewal plan and shall be used to pay the principal and interest on any indebtedness
 5 issued or incurred by the urban renewal agency to finance or refinance the urban renewal plan.

6 (7) Unless and until the total assessed value of the taxable property in an urban renewal area
 7 exceeds the total assessed value specified in the certified statement, all of the ad valorem taxes
 8 levied and collected upon the taxable property in the urban renewal area shall be paid into the
 9 funds of the respective taxing districts.

10 (8) The agency may incur indebtedness, including obtaining loans and advances in carrying out
 11 the urban renewal plan, and the portion of taxes received under this section may be irrevocably
 12 pledged for the payment of principal of and interest on the indebtedness.

13 (9) The Department of Revenue shall by rule establish procedures for giving notice of amounts
 14 to be raised for urban renewal agencies and for determination of amounts to be raised and distrib-
 15 uted to urban renewal agencies.

16 (10) The notice required under this section shall serve as the notice required under ORS 310.060
 17 for the special levy described under ORS 457.435.

18 **SECTION 8.** ORS 457.440, as amended by section 17, chapter 190, Oregon Laws 2003, is
 19 amended to read:

20 457.440. During the period specified under ORS 457.450:

21 (1) The county assessor shall determine the amount of funds to be raised each year for urban
 22 renewal within the county levied by taxing districts in accordance with section 1c, Article IX of the
 23 Oregon Constitution, and ORS 457.420 to 457.460.

24 (2) Not later than July 15 of each tax year, each urban renewal agency shall determine and file
 25 with the county assessor a notice stating the amount of funds to be raised for each urban renewal
 26 area as follows:

27 (a) If the municipality that activated the urban renewal agency has chosen Option One as pro-
 28 vided in ORS 457.435 (2)(a), the notice shall state that the maximum amount of funds that may be
 29 raised by dividing the taxes under section 1c, Article IX of the Oregon Constitution, shall be raised
 30 for the agency.

31 (b) If the municipality that activated the urban renewal agency has chosen Option Two as pro-
 32 vided in ORS 457.435 (2)(b), the notice shall state the amount of funds to be raised by the special
 33 levy.

34 (c) If the municipality that activated the urban renewal agency has chosen Option Three as
 35 provided in ORS 457.435 (2)(c), the notice shall state the amount of funds to be raised by special levy
 36 in addition to the amount to be raised by dividing the taxes as stated in the ordinance adopted under
 37 ORS 457.435 (1).

38 (d) If the **urban renewal** plan is not an existing plan, the notice shall state that the maximum
 39 amount of funds that may be raised by dividing the taxes under section 1c, Article IX of the Oregon
 40 Constitution, shall be raised for the agency.

41 (3) If a municipality has chosen Option Three pursuant to ORS 457.435, the maximum amount
 42 of funds that may be raised for an urban renewal agency by dividing the taxes as provided in section
 43 1c, Article IX of the Oregon Constitution, may be limited by the municipality in which the urban
 44 renewal agency is located. The decision of the municipality to limit the amount of funds to be in-
 45 cluded in the notice filed under subsection (2) of this section shall be reflected in the certified

1 statement filed by the urban renewal agency with the county assessor.

2 (4) Not later than September 25 of each tax year, the assessor of any county in which a joint
3 district is located shall provide, to the assessor of each other county in which the joint district is
4 located, the assessed values of the property in the joint district that is located within the county,
5 including the certified statement value and the increment for each code area containing any urban
6 renewal area located within the joint district, and a copy of the notice filed by the urban renewal
7 agency for the area located within the joint district under subsection (2) of this section.

8 (5) The maximum amount of funds that may be raised for an urban renewal plan by dividing the
9 taxes as provided in section 1c, Article IX of the Oregon Constitution, shall be computed by the
10 county assessor as follows:

11 (a) The county assessor shall compute the total consolidated billing tax rate for each code area
12 in which an urban renewal area of the plan is located.

13 (b) The assessor shall determine the amount of taxes that would be produced by extending the
14 tax rate computed under paragraph (a) of this subsection against the increment of each code area.

15 (c) The total amount determined for all code areas containing urban renewal areas included
16 within the urban renewal plan is the maximum amount of funds to be raised for the urban renewal
17 plan by dividing the taxes.

18 (6)(a) The maximum amount of funds that may be raised for an urban renewal agency as deter-
19 mined under subsection (5) of this section, or the maximum amount, as determined under subsection
20 (2) of this section, shall be certified by the county assessor to the tax collector. The tax collector
21 shall include the amount so certified in the percentage schedule of the ratio of taxes on property
22 prepared under ORS 311.390 and filed with the county treasurer. Notwithstanding ORS 311.395 (5),
23 the county treasurer shall credit the amount to the urban renewal agency and shall distribute its
24 percentage amount to the urban renewal agency as determined by the schedule at the times other
25 distributions are made under ORS 311.395 (6).

26 (b) The county assessor shall notify the urban renewal agency of the amounts received under
27 subsection (5) of this section or amounts received pursuant to the notice provided in subsection (2)
28 of this section for each urban renewal plan area. Any amounts received by the urban renewal
29 agency under paragraph (a) of this subsection shall be attributed to the urban renewal plan in which
30 the urban renewal area is included, shall be paid into a special fund of the urban renewal agency
31 for the urban renewal plan and shall be used to pay the principal and interest on any indebtedness
32 issued or incurred by the urban renewal agency to finance or refinance the urban renewal plan.

33 (7) Unless and until the total assessed value of the taxable property in an urban renewal area
34 exceeds the total assessed value specified in the certified statement, all of the ad valorem taxes
35 levied and collected upon the taxable property in the urban renewal area shall be paid into the
36 funds of the respective taxing districts.

37 (8) The agency may incur indebtedness, including obtaining loans and advances in carrying out
38 the urban renewal plan, and the portion of taxes received under this section may be irrevocably
39 pledged for the payment of principal of and interest on the indebtedness.

40 (9) The Department of Revenue shall by rule establish procedures for giving notice of amounts
41 to be raised for urban renewal agencies and for determination of amounts to be raised and distrib-
42 uted to urban renewal agencies.

43 (10) The notice required under this section shall serve as the notice required under ORS 310.060
44 for the special levy described under ORS 457.435.

45 **SECTION 9.** ORS 457.450 is amended to read:

1 457.450. (1)(a) ORS 457.440 shall first apply to the assessment roll next following the tax roll
 2 referred to in ORS 457.430 if the assessor is provided notice of [a] **an urban renewal** plan adoption
 3 or amendment changing area boundaries by the agency prior to January 1 before the tax year to
 4 which the plan first applies.

5 (b) If the assessor is not provided notice of plan adoption or amendment changing area bound-
 6 aries by the agency prior to January 1 before the tax year to which ORS 457.440 would otherwise
 7 first apply, then ORS 457.440 shall first apply to the assessment roll next following the assessment
 8 roll described in paragraph (a) of this subsection.

9 (2) When the principal and interest on indebtedness to which the portion of taxes is irrevocably
 10 pledged for payment under ORS 457.435 or 457.440 is fully paid, or it is found that deposits in the
 11 special fund are sufficient to fully pay principal and interest on that indebtedness either through
 12 direct payment of the indebtedness or by payment of principal and interest on bonds or notes issued
 13 to finance the indebtedness, the agency shall notify the assessor of that fact.

14 (3) All moneys remaining unexpended from the special fund provided for in ORS 457.435 or
 15 457.440, after payment of all the principal and interest on indebtedness is provided for, shall be
 16 turned over to the county treasurer by the agency and prorated by the treasurer back to the taxing
 17 districts in which the area, or part thereof, is located, in proportion to the amount of money in the
 18 fund attributable to each taxing district for the last fiscal year in which tax levy moneys were paid
 19 into the special fund of the agency under ORS 457.435 or 457.440.

20 **SECTION 10.** ORS 457.460 is amended to read:

21 457.460. (1) An **urban renewal** agency shall, by August 1 of each year, prepare a statement on
 22 the same basis on which its financial statements are prepared containing:

23 (a) The amount of money received during the preceding fiscal year under ORS 457.420 to 457.460
 24 and from indebtedness incurred under ORS 457.420 to 457.460;

25 (b) The purposes and amounts for which any money received under ORS 457.420 to 457.460 and
 26 from indebtedness incurred under ORS 457.420 to 457.460 were expended during the preceding fiscal
 27 year;

28 (c) An estimate of moneys to be received during the current fiscal year under ORS 457.420 to
 29 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

30 (d) A budget setting forth the purposes and estimated amounts for which the moneys which have
 31 been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS
 32 457.420 to 457.460 are to be expended during the current fiscal year; and

33 (e) An analysis of the impact, if any, of carrying out the urban renewal plan on the tax col-
 34 lections for the preceding year for all taxing districts included under ORS 457.430.

35 (2) The statement required by subsection (1) of this section shall be filed with the governing
 36 body of the municipality. Notice shall be published that the statement has been prepared and is on
 37 file with the municipality and the agency and the information contained in the statement is available
 38 to all interested persons. The notice shall be published once a week for not less than two successive
 39 weeks before September 1 of the year for which the statement is required in accordance with ORS
 40 457.115. The notice shall summarize the information required under subsection (1)(a) to (d) of this
 41 section and shall set forth in full the information required under subsection (1)(e) of this section.

42 **SECTION 11.** ORS 332.075 is amended to read:

43 332.075. (1) Any district school board may:

44 (a) Fix the days of the year and the hours of the day when schools shall be in session.

45 (b) Adopt textbooks and other instructional materials as provided in ORS 337.120 and 337.141

1 and courses of study for the use of such schools as provided in ORS 336.035.

2 (c) Authorize the use of the schools for purposes of training students of an approved teacher
3 education institution, as defined in ORS 342.120, and for such purposes may enter into contracts
4 with the approved teacher education institutions on such terms as may be agreed upon. Such con-
5 tracts as they relate to student teachers shall have the same effect and be subject to the same
6 regulations as a contract between a licensed teacher and a district school board.

7 (d) Develop and operate with other school districts or community college districts secondary
8 professional technical education programs for pupils of more than one district and fix by agreement
9 the duration of the district's obligation to continue such activity, subject to the availability of funds
10 therefor.

11 (e) Authorize the school district to be a member of and pay fees, if any, to any voluntary or-
12 ganization, approved under ORS 339.430, that administers interscholastic activities or that facilitates
13 the scheduling and programming of interscholastic activities.

14 (f) Accept money or property donated for the use or benefit of the school district and, consistent
15 with the laws of this state, use such money or property for the purpose for which it was donated.

16 (2) All contracts of the school district must be approved by the district school board before an
17 order can be drawn for payment. If a contract is made without the authority of the district school
18 board, the individual making such contract shall be personally liable.

19 (3) Notwithstanding subsection (2) of this section, a district school board may, by resolution or
20 policy, authorize its superintendent or the superintendent's designee to enter into and approve pay-
21 ment on contracts for products, materials, supplies, capital outlay, equipment and services that are
22 within appropriations made by the district school board pursuant to ORS 294.435. A district school
23 board may not authorize its superintendent or the superintendent's designee under this subsection
24 to enter into and approve payment on contracts that are collective bargaining agreements or service
25 contracts that include the provision of labor performed by employees of the school district.

26 **(4) A district school board may adopt ordinances for the purposes of activating an urban**
27 **renewal agency or adopting or amending an urban renewal plan under ORS chapter 457.**

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