

EXHIBIT A – AMEND CITY CODE

1. Amend Subsection 3.15.040 E.8

E. The Revenue Division shall be supervised by a Director who shall report to the BRFS Director. The responsibilities of the Revenue Division shall include, but are not limited to:

8. Manage and collect assessments and liens, ~~in coordination with the City Auditor's Office.~~

2. Amend Subsection 3.30.040 E.6.

3.30.040 Administration and Enforcement.

(Amended by Ordinance Nos. 175327, 176955, 183793, 186564 and 186736, effective August 29, 2014.) In order to carry out the duties as set forth in Section 3.30.010, the Director of the Bureau of Development Services may:

E. Impose fees or penalties for non-compliance, provide notification, and allow for appeals by:

6. When a property meets the conditions for charging any Council approved fee or penalty for noncompliance, the Director shall file a statement with the ~~City Auditor~~ Revenue Division identifying the property, the amount of the fee or penalty and the date upon which the charge should be assessed. The ~~City Auditor~~ Revenue Division shall notify the property owner of the amount of the assessed fees and penalties, and a 10 percent ~~City Auditor~~ Revenue Division charge. The ~~City Auditor~~ Revenue Division shall record the total amount as a lien in the Docket of City Liens. The ~~City Auditor~~ Revenue Division shall maintain the lien record until the lien and all associated interest and costs are paid in full, and the Director certifies that all violations listed in the original or subsequent notice of violation have been corrected.

3. Amendments to Sections in Chapter 3.122 – Economic Improvement Districts

3.122.020 Definitions, Subsection K.

The following words and phrases when used in this Chapter shall have the following meanings, except where the context requires a different meaning:

- K. “Task Force” means a committee whose membership consists of representatives of those City offices, bureaus, and commissions that have a significant interest in a proposed Economic Improvement District and a representative appointed by the Advisory Committee. ~~The City Auditor or a~~ A representative designated by the ~~City Auditor~~ Director of the Revenue Division shall be a member of each Task Force.

3.122.050 Preliminary Institution of Economic Improvement District, Subsection A.

- A. The Council shall consider creation of an Economic Improvement District whenever owners of Subject Properties file with the ~~Auditor~~ Revenue Division a petition for the establishment of a District containing the signatures of the owners of 33 percent or more of the area or of the assessed value of subject properties within the proposed District or whenever a City Commissioner or the Mayor files a report recommending the establishment of a District. A petition or report shall contain a Preliminary Economic Improvement Plan.

3.122.060 Final Plan and Ordinance Preparation.

- A. Immediately following Council adoption of a resolution under Section 3.122.050 B, the head of each office, bureau and commission to be represented on the task force shall appoint its representative and ~~the City Auditor shall appoint the city Auditor's representative, by notification to the head of the lead bureau of the appointment.~~
- B. The ~~City Auditor~~ Revenue Division's representative shall provide to the task force a report setting out:
 - 1. Whether the petitioners under Section 3.122.050 A are owners of subject property in the proposed District;
 - 2. Delinquencies in taxes or City liens on subject properties in the proposed District;
 - 3. The true cash value of all real property located within the proposed District; and
 - 4. The zoning of land within the District, including verification that only land zoned for commercial or industrial use is included within the District.
- C. The lead bureau shall be responsible for preparing the documents referred to in Subsection D.
- D. The task force shall prepare for the Commissioner In Charge a report recommending whether the owners of property within the proposed Economic Improvement District shall be formally notified of the proposal to establish the District, taking into consideration the criteria set out in Section 3.122.050 B. If the report recommends formal notification, the report shall include a proposed Final Economic Improvement Plan and the report of the ~~City Auditor~~ Revenue Division's representative provided under Subsection B. The report also shall include a proposed ordinance that:
 - 1. States the Council's intention to proceed with formal notification regarding the proposed Economic Improvement District;

2. States whether the assessments will be mandatory or voluntary;
3. Contains the information in the Final Economic Improvement Plan, which may be included by attachment of the Plan as an exhibit; and
4. Directs notice to be given in the manner provided by PCC 3.122.080.

3.122.080 Notice to Owners.

A. Following adoption of the ordinance under Section 3.122.070 B, the ~~Auditor~~ Revenue Division shall mail notice to the property owners within the proposed Economic Improvement District which contains the following information:

1. The Council’s intent to form an Economic Improvement District.
2. Benefitted properties will be assessed unless it is a voluntary assessment in which case only property owners who specifically request to be assessed will be assessed. An owner who fails to submit a written objection before or at the public hearing on assessment shall be deemed to have made a specific request to be assessed.
3. The formula for determining the amount of the assessment.
4. The scope of the improvements and that the description of the boundaries of the proposed District and the full scope of the project are on file with the ~~Auditor~~ Revenue Division and where the file can be viewed. It should state that:
 - a. In the case of a voluntary assessment the scope and level of the improvements may be reduced depending on the amount of money collected; or
 - b. In the case of a mandatory assessment the scope and level of the improvements may be reduced if the amount of the assessment is compressed to fit within the property tax limitation imposed by the Oregon Constitution, Art. XI § 11b.

[Subsections 5 – 8 are unchanged.]

3.122.090 Exemption Process.

- A. Property within the proposed District is conclusively presumed subject to assessment unless the owner files with the ~~Auditor~~ Revenue Division a claim for exemption not later than 21 days after the date of mailing or personal delivery of the notice.
- B. The ~~Auditor~~ Revenue Division, in ~~his or her~~ its discretion, may ~~audit-examine~~ a claim or claims for exemption to determine whether property claimed to be exempt

from assessment is exempt property. The ~~audit examination~~ may include review of such evidence as the ~~Auditor Revenue Division~~ deems appropriate and may include a viewing of the property. In the event the ~~Auditor Revenue Division~~ determines that the property for which an exemption is claimed is not exempt, the ~~Auditor Revenue Division~~ shall give the owner written notice of the determination and the reasons-, by mail or personal delivery. The notice shall give the owner 10 days time within which to provide written evidence as to why the property is exempt. In the event the owner provides no written evidence within the time allowed, the property conclusively shall be presumed not to be exempt property. In the event the owner submits written evidence, the ~~Auditor Revenue Division~~ shall review the evidence and either approve or disapprove the claim for exemption and provide written notice to the owner, including a statement of the reasons for the ~~Auditor Revenue Division's~~ decision. The ~~Auditor Revenue Division's~~ approval or disapproval following review of the evidence shall be final.

3.122.110 Preparation and Notice of Assessments.

A. Following Council adoption of a resolution establishing an Economic Improvement District based on the final Economic Improvement Plan, the ~~Auditor Revenue Division~~ shall prepare the proposed assessment for each lot in the District that is a subject property and shall file a proposed assessment ordinance, with a list of proposed assessments attached, with the City Council. The amount of assessment shall be based on the cost of the economic improvements and the cost of City administration of the Economic Improvement District.

B. Following preparation of the proposed assessments, the ~~Auditor Revenue Division~~ shall mail to the owner of each lot to be assessed a notice containing the following information:

[Subsections 1. through 6. are unchanged.]

6. A written objection may be filed with the ~~Auditor Revenue Division~~ prior to the hearing or made orally at the hearing. An objection to the assessment must explain the reasons the assessment is incorrect or exceeds the amount of benefit.

[Subsections 7. through 10. are unchanged.]

3.122.120 Hearing on Assessments, Subsection B.

B. Written objections shall be considered to have been received by the Council at the hearing if actually received at the hearing or if received by the ~~Auditor Revenue Division~~ prior to commencement of the hearing. A written objection signed by a person purporting to have authority as agent or attorney to sign an objection on behalf of an owner shall be considered received from the owner only if there is included with the objection a copy in writing of the authority to act on behalf of the owner.

3.122.230 Entry and Collection of Assessments, Subsection A.

- A. On adoption of an assessment ordinance under Section 3.122.120 D, the ~~City Auditor Revenue Division~~ shall enter each assessment in the docket of City liens. All such assessments shall be collected in the same manner as local improvement assessments and failure to pay may result in foreclosure in the same manner as provided for other assessments.

4. Amend Section 5.04.030

5.04.030 Trustees' Fund.

There is hereby created a Trustees' Fund which shall be credited with all cash and securities deposited with the City Treasurer to protect the City against loss on account of certain obligations, and with all money and/or securities deposited with the City Treasurer pending information or accrual of time for its application. The City Treasurer shall receive into such fund installment payments on municipal assessments against real property, including payments which are too small to be entered on the Lien Docket as a credit, it being provided that a payment shall be too small for such entry when it is less than one-third of the total amount to be paid as shown on the open lien docket. When such deposits in the Trustees' Fund make an amount sufficient for entry the City Treasurer shall make application thereof as a payment on such assessment, make a proper entry thereof in ~~his-its~~ books, and the ~~Auditor Revenue Division~~ shall make a proper entry thereof in ~~his-its~~ books. The amounts deposited in the Trustees' Fund shall be applied as provided in the receipt showing the terms of deposit. The City Treasurer shall upon receiving a deposit under the provisions of this Section issue a receipt therefor, a copy of which shall be filed with the ~~City Auditor Revenue Division~~ and be credited to the Trustees' Fund. No cash or collateral securities shall be returned by the City Treasurer without written approval of the ~~City Auditor Revenue Division~~. The City Treasurer upon returning cash or collateral securities shall take a receipt from the depositor in duplicate, the original of which shall be filed with the ~~City Auditor Revenue Division~~, who is hereby authorized to credit the City Treasurer with the amount of the receipt. In cases where deposits are made by persons interested in local improvements no refund shall be made unless the contemplated improvement is not made or the owner of the property for account of which the deposit was made promptly pays or bonds the assessment. If the improvement is made and the owner fails to pay and/or bond the assessment within twenty (20) days after its entry in the open lien docket the deposit shall be applied to a payment pro tanto of the assessment and the City Treasurer and ~~Auditor Revenue Division~~ shall make proper book entries thereof.

5. Amend Section 5.24.010

5.24.010 Permanent Records to be Kept by ~~Auditor Revenue Division~~.

The ~~Auditor Revenue Division~~ shall install and maintain suitable loose-leaf systems in keeping bonded lien accounts and other such bookkeeping accounts which are required to be kept by the provisions of the Charter. Such loose-leaf accounts shall be kept in lock binders and shall be placed in lock book form upon completion of the record of such

account. Such loose-leaf system installed in binders shall be deemed a permanent record for all purposes required by the Charter of the City.

6. Amend Section 5.24.020

5.24.020 ~~Auditor~~ Revenue Division to Report on Balance in Appropriation.

Each month the ~~Auditor~~ Revenue Division shall transmit to the head of each department a statement showing the unencumbered balance in each appropriation.

7. Amendments to Sections in Chapter 5.30 – Collections and Foreclosure Process

5.30.020 Definitions, Subsection C.

C. “**City lien docket**” means the official City record maintained by the ~~City Auditor~~ Revenue Division for the entry of fees, charges, penalties or assessments as authorized by state law, City Code or City Charter. The fees, charges, penalties or assessments include, but are not limited to, costs related to the construction of economic or public improvements or for other improvements or purposes authorized by state law, systems development charges, costs of sidewalk repairs, costs of nuisance abatement, penalties assessed by the Code Hearings Officer and fees associated with code enforcement.

5.30.040 Authorities and Responsibilities.

(Amended by Ordinance Nos. 181483 and 187833, effective June 15, 2016.)

A. The ~~Auditor~~ Revenue Division shall maintain the City lien docket; maintain the records related to liens; process bonding contracts; and bill and collect open and bonded liens. As set forth elsewhere in this Chapter, the ~~Auditor~~ Revenue Division is also responsible for processing and approving or denying applications for the Catch-up Payment Program and the Hardship Payment Program; administering the foreclosure process; preparing foreclosure lists; and transmitting the foreclosure lists to the City Council for its review and approval.

B. The City Treasurer shall administer the foreclosure sale process; withhold or withdraw property from foreclosure sale for purchase by the City; administer the redemption process; and execute deeds conveying the property sold. As provided under Section 3.08.030, the City Treasurer may delegate this authority or such other authority as may be assigned under this Chapter.

C. Unless otherwise specifically directed by Council, the ~~Bureau of Internal Business Services~~ Division of Asset Management shall manage, maintain, rent or market for sale properties purchased by the City under this Chapter.

5.30.050 Collection Process.

- A. The ~~Auditor~~ Revenue Division shall establish a collection process for delinquent liens and shall be authorized to:
1. Establish written rules and procedures to carry out the provisions of this Chapter;
 2. Establish fees, including a billing fee and rebilling fee, to recover billing costs and the costs of collecting delinquent lien amounts; and
 3. In addition to the penalties and interest otherwise provided in this Section, establish increases in penalty amounts and the interest rate to encourage early payment of delinquent liens.
- B. The ~~Auditor~~ Revenue Division shall impose a penalty each month until the delinquent lien is brought current, paid in full or the property owner signs a payment plan. The penalty will be calculated as follows:
1. Open delinquent liens shall be charged a penalty equal to one-quarter of one percent (.0025) of the total outstanding principal balance.
 2. Bonded delinquent liens shall be charged a penalty equal to five percent (5.00%) calculated on the total amount of the installment that is delinquent.
- C. The ~~Auditor~~ Revenue Division shall add interest to delinquent liens based on the following methods:
1. For a delinquent open lien, interest shall be assessed at the adjusted prime rate, calculated on the unpaid balance from the assessment date. The annual interest rate shall not be less than 12% for an open lien, except in the Hardship Payment Program. Lien payments made during the 30-day period following the assessment date shall not be charged this interest.
 2. For a delinquent bonded lien, interest shall be calculated daily based on the amount of the unpaid principal balance and the interest rate set by the installment payment contract.
- D. As liens become delinquent, the ~~Auditor~~ Revenue Division shall provide notice of the delinquency to the property owner. Notice(s) shall be sent by registered or certified mail. Notice(s) shall identify the property, the amount owing (principal, interest, penalties and collection costs) and estimate the sales costs that will be charged to the account. In addition, the notices shall identify the type of the delinquent lien account and the fact that the property will be placed on the foreclosure list unless the property owner elects to pay under the Catch-up Payment Program or brings the account current.
- E. The ~~Auditor~~ Revenue Division may waive interest, penalties and collection costs on delinquent liens under the following conditions:

1. A delay in receiving payment or installment payment contract which is caused by a documented oversight, omission or error by City staff;
2. A one-time failure in making a payment by the property owner which is caused by a documented financial emergency; or
3. The sale or transfer of a property that is subject to a delinquent lien to a non-profit organization or government program satisfying the goals of an expressed public purpose.

5.30.060 Adjustment of Open Lien Amounts.

- A. The ~~Auditor~~ Revenue Division may evaluate individual delinquent open liens to develop recommendations on revising the payment amount of the lien and the payment terms. The ~~Auditor~~ Revenue Division's recommendation shall be based upon the factors set forth in Subsection 5.30.060 D. Delinquent bonded liens may not be reviewed or adjusted.
- B. The Collections Committee shall be comprised of four members, consisting of a representative from two members of the City Council, one representative from the Bureau of Development Services and one representative from the Office of Management and Finance who does not work in the Revenue Division. These four offices shall each designate their representative to the Committee.
- C. The Committee shall meet from time to time, as necessary, to review and consider the ~~Auditor~~ Revenue Division's recommendations. The Collections Committee shall make a written determination accepting, revising or rejecting the ~~Auditor~~ Revenue Division's recommendations on adjusting the delinquent open lien payment amount and terms. The Collections Committee's written determination shall be based upon the factors listed in Subsection 5.30.060 D. The ~~Auditor~~ Revenue Division shall notify the property owner in writing of the Collections Committee's determination.

[Subsection D. is unchanged.]

- E. If the property owner accepts the Collections Committee's determination on adjusting the delinquent open lien amount and payment terms, the owner shall enter into a written agreement prepared by the ~~Auditor~~ Revenue Division that contains the adjusted delinquent open lien amount and payment terms.

[Subsection F. is unchanged.]

5.30.070 Catch-up Payment Program, Subsections C and D.

- C. Administration.
 1. For a delinquent bonded lien, the minimum monthly payment must be equal to the scheduled regular payment, plus an amount necessary to repay the

arrears by the end of the individual payment plan. At the conclusion of an individual payment plan, the ~~Auditor~~ Revenue Division shall bill any property owner who has a bonded lien and has complied with the individual payment plan, but has not paid the account in full, according to the ~~Auditor~~ Revenue Division's standard billing procedures. The maximum period under this Program shall not exceed five years.

2. For a delinquent open lien, the minimum monthly payment must be equal to an amount necessary to pay the account in full by the end of the term of the individual payment plan. The maximum payment period under this Program shall not exceed five years. Interest shall be calculated at the prime interest rate set by the City's bank on December 31st of the previous year plus 300 basis points (3%) per annum. The recalculated interest rate shall be applied to each individual payment plan on the first billing date following December 31st of each year.
3. A payment for the specified amount in the Catch-up Payment Plan Agreement (CPPA) must be received in the ~~Auditor's Office~~ Revenue Division with the signed CPPA.

D. If a property owner fails to make any monthly payment before the completion of an individual catch-up plan, the ~~Auditor~~ Revenue Division may place the property on the foreclosure list in accordance with the priorities in Section 5.30.100.

5.30.080 Hardship Payment Program, Subsections C and D.

C. Administration.

1. The ~~Auditor~~ Revenue Division shall administer the Hardship Payment Program.
2. Applicants must complete a written request form and provide sufficient written documentation to support a determination that the applicant is experiencing catastrophic financial circumstances. Documentation may consist of records such as a lay-off-notice, proof of unemployment or other evidence of loss of income.
3. The ~~Auditor~~ Revenue Division shall review and approve or deny applications for individual payment plans under the Hardship Payment Program.
4. If the ~~Auditor~~ Revenue Division determines that a property owner is qualified to participate in the Program, the ~~Auditor~~ Revenue Division shall allow the qualified property owner to make a minimum monthly payment equal to the monthly interest accruing to the delinquent lien, plus the monthly billing charge. Interest shall be calculated at the prime interest rate set by the City's bank on December 31st of the previous year plus 200 base points (2%) per annum. The recalculated interest rate shall be applied to

each individual payment plan on the first billing date following December 31st of each year.

5. The ~~Auditor~~-Revenue Division shall periodically review each individual payment plan to verify the qualifications of the participant.
 6. At the conclusion of an individual payment plan, the ~~Auditor~~-Revenue Division shall bill any property owner who has complied with the individual payment plan, but has not paid the account in full, according to the ~~Auditor~~ Revenue Division's standard billing procedures.
 7. A payment for the specified amount in the Hardship Payment Plan Agreement (HPPA) must be received in the ~~Auditor's Office~~ Revenue Division with the signed HPPA.
- D. If the property owner fails to make a monthly payment before the completion of the plan, the ~~Auditor~~-Revenue Division may place the property on the foreclosure list, unless the ~~Auditor~~-Revenue Division finds there is an additional or continuing emergency. In that event the ~~Auditor~~-Revenue Division may authorize a new plan or reinstate the existing plan.

5.30.090 Negotiation of Bonded Lien Payment Contracts.

If the ~~Auditor~~-Revenue Division declares a bonded lien payment contract void prior to the property being placed on the foreclosure list, the property owner and the ~~Auditor~~-Revenue Division may negotiate new installment payment arrangements. If the ~~Auditor~~-Revenue Division offers a new installment payment contract, the terms and conditions must protect the City's financial condition and assure the repayment of associated municipal bonds. The ~~Auditor~~-Revenue Division shall set the interest rate on the negotiated contract at a rate greater than or equal to the interest rate of the original installment payment contract. The ~~Auditor~~-Revenue Division shall prepare a form of agreement for negotiated installment payment contracts.

5.30.100 Preparation of Foreclosure List.

- A. The ~~Auditor~~-Revenue Division shall be responsible for preparing the proposed foreclosure list. No property shall be placed on the proposed foreclosure list unless:
1. It is an open lien which is at least 60 days past the due date; or
 2. It is a bonded lien which is at least one year past the installment due date.
 3. The City has provided the property owner or their predecessor in interest at least two written delinquency notices within a three-month period prior to the sale.
- B. The ~~Auditor~~-Revenue Division shall prioritize which delinquent liens to include on the proposed foreclosure list. Priority shall be given to properties that have the

potential to significantly reduce the delinquency rate or help to solve a City public health, safety or welfare objective. Priority may also be given based on factors including, but not limited to, the total amount of delinquency; property owners with multiple delinquencies for one or more properties; or multiple nuisance abatement action by the City.

- C. The ~~Auditor~~ Revenue Division may determine the number of properties to be placed on the proposed foreclosure list based on current City staffing resources, complexity of accounts, and time and resources necessary to complete timely processing of foreclosing the delinquent liens.
- D. The ~~Auditor~~ Revenue Division shall:
 - 1. Submit the proposed foreclosure list to the Council for Council action;
 - 2. Submit a report to the Council that identifies the properties recommended for purchase by the City from the proposed foreclosure list. The report shall identify the property and the source of the funds to be used to purchase the property; and
 - 3. Determine whether any properties on the proposed foreclosure list are also delinquent in the payment of property taxes. The ~~Auditor~~ Revenue Division shall identify those properties which are likely to be foreclosed upon by the County prior to the City's foreclosure sale and shall make a recommendation to the Council regarding whether any of these properties should be purchased and removed from the foreclosure list.

5.30.110 Council Action on Foreclosure List, Subsection B.

- B. The foreclosure list shall be transmitted to the City Treasurer by the Council Clerk.

5.30.130 Recording Notice of Foreclosure Sale, Subsection A.

- A. The City Treasurer shall record a notice of foreclosure sale for each property listed on the foreclosure list in the County records in which the property is located after ordering a foreclosure report and before giving notice as required by Section 5.30.140. The recorded notice shall contain the ordinance number approving the foreclosure list; the address and legal description of the property; the time, date and place of the sale; the types and amounts of liens; and, that the property will be sold unless the account is paid in full including all interest, penalties, collection costs and sales costs to date. The recorded notice shall also state a contact name, address and phone number for obtaining additional information from the City.

5.30.140 Notice to Persons on Foreclosure List of Foreclosure Action.

(Amended by Ordinance No. 188121, effective November 30, 2016.) As provided below, the City Treasurer shall provide notice to all persons known to have a recorded interest in the properties on the foreclosure list.

A. Individual Notice.

1. The City Treasurer shall mail a notice of foreclosure sale to all persons known to have a recorded interest in the property and to all persons having recorded a request for copy of notice of sale. Notice shall be sent at least 60 days prior to the sale by registered or certified mail.
2. The mailed notice shall state that a foreclosure sale will be held and it shall specify the date, time and place. It shall contain the following information: the names of the owners of the property; the legal description of the property; the street address; the amount of the delinquent lien stating both the principal and interest due as well as any penalties and collection costs; the type of the delinquent account; and, the name of the City Treasurer and contact information. The notice shall also state that there shall be an additional charge for sales costs to date.

B. Newspaper Notice.

1. The City Treasurer shall have printed in a daily or weekly newspaper of general circulation a notice of foreclosure sale once a week for four successive weeks.
2. The notice shall contain the information required in Subsection 5.30.140 A.2. 3. A copy of the first of the four published newspaper notices shall be sent to the owner and to the occupant by registered or certified mail.

C. Posted Notice.

1. The City Treasurer shall have notice of foreclosure sale posted on the property at least once, no less than four weeks before the sale.
2. The posted notice shall contain the information required in Subsection 5.30.140 A.2.

[Subsection D. is unchanged.]

5.30.170 Conduct of Foreclosure Sale.

(Amended by Ordinance No. 187833, effective June 15, 2016.)

- A.** The City Treasurer shall prepare rules governing the conduct of the foreclosure sale. The rules shall be available at least 60 days prior to the foreclosure sale.

[Subsections B. and C. are unchanged.]

- D. If the sum received for the sale of the property under this Section exceeds the lien principal amount, plus interest, penalties and the cost of conducting the sale, the City Treasurer shall apply the proceeds of the sale as follows:
1. To the costs of conducting the sale.
 2. To the unpaid lien principal plus interest and penalties.
 3. To any persons with recorded interest in the property, in order of their priority.
 4. To the debtor or the debtor's heirs or assigns.

[Subsection E. is unchanged.]

5.30.190 Certificate of Sale and Notice of Sale to Property Owner.

(Amended by Ordinance Nos. 187833, 187983 and 188121, effective November 30, 2016.)

- A. After a foreclosure sale, the City Treasurer shall promptly deliver a certificate of sale to the purchaser. The certificate of sale embodies the right to own the property at the end of the redemption period. The holder of a certificate of sale holds the certificate of sale subject to the rights of all persons having an interest in the property to redeem it, the right of the City to place additional liens on the property and the right of another unit of government to foreclose upon the property. All liability remains with the persons having an interest in the property until the City issues a deed at the end of the redemption period.

[Subsection B. is unchanged.]

- C. The City Treasurer shall send to the property owner and all persons known to have a recorded interest in the property a notice of the sale by registered or certified mail, within 10 business days after the sale. The notice shall contain the following information: the name of the purchaser; the right of redemption; the date the redemption period expires; the redemption price; and, the basis for calculating interest and penalties during the redemption period.
- D. It shall be the responsibility of the purchaser to maintain a current address on file with the ~~Auditor~~ Revenue Division.

5.30.200 Entry of Collections and Sales.

- A. The City Treasurer shall return to the ~~Auditor~~ Revenue Division the foreclosure list with all collections and sales noted on it within three business days after the sale.
- B. The ~~Auditor~~ Revenue Division shall enter the collections and foreclosure sales in the City lien docket. Thereafter, no transfer or assignment of any certificate of sale

is valid unless such transfer or assignment is reported to the ~~Auditor~~ Revenue Division and recorded in the City lien docket.

5.30.210 Redemption.

(Amended by Ordinance No. 187983, effective September 14, 2016.)

[Subsection A. is unchanged.]

- B.** Property which has been sold at a foreclosure sale is not eligible for installment payments or a payment plan. Property may be redeemed only by payment in full. Redemption shall be subject to the payment to the City Treasurer of the redemption price. The only acceptable form of payment shall be United States legal currency or cashier's check.
- C.** The City Treasurer shall issue a receipt to the person redeeming the property and shall report the redemption to the ~~Auditor~~ Revenue Division. Redemption discharges the property from the effect of the sale.

[Subsection D. is unchanged.]

- E.** Upon receipt of the redemption price, the City Treasurer shall issue a check for the sales price amount paid by the holder of the certificate of sale as shown on the lien docket plus any accrued redemption interest and all or a portion of the redemption penalty. The check shall be delivered to the address provided to the City by the purchaser or any transferee or assignee.

[Subsections F. and G. are unchanged.]

5.30.220 Issuance of Deed, Subsection A.

- A.** Upon expiration of the redemption period, the City Treasurer shall execute a deed conveying the foreclosed property. The deed conveys to the grantee the legal and equitable title in fee simple excepting only the liens of the City or of other persons or entities which were not included in the foreclosure sale or other liens as provided by state law. The deed, however, shall not guarantee free or clear title.

5.30.240 Sale of Property Purchased by City, Subsection B.

- B.** In selling property as described in Subsection 5.30.240 A., except in situations where the purchaser agrees to accept a quit claim deed, the City Treasurer shall purchase title insurance as a precondition of sale and shall pay the cost of the policy.

8. [Amendments to Sections in Chapter 5.31 – Collections & Foreclosure Process for Delinquent Sewer Safety Net Liens](#)

5.31.020 Authorities and Responsibilities.

(Amended by Ordinance No. 181483, effective January 18, 2008.)

- A. The ~~Auditor~~ Revenue Division shall maintain the records related to Sewer Safety Net assessment liens, bill and collect lien accounts, administer the preforeclosure collection process, prepare a preforeclosure list, and transmit the preforeclosure list to the City's Bureau of Environmental Quality and the Commissioners for informal review and prepare a final foreclosure list for review by the Council. The ~~Auditor~~ Revenue Division shall also renegotiate loans, reduce the amount of liens, terminate foreclosure proceedings or eliminate liens as directed by the Department of Environmental Quality.
- B. The Council shall review the final foreclosure list and adopt an ordinance which lists the properties subject to foreclosure and subject to purchase.
- C. The City Treasurer shall administer the foreclosure sale process, purchase property identified by the Department of Environmental Quality and Council for purchase by the City, administer the redemption process and execute deeds conveying the property sold. There shall be at least one sale held annually.
- D. The OMF Business Operations Division shall manage, maintain, rent or market for sale properties purchased by the City Treasurer for collection of delinquent assessments.

5.31.025 Collection Process.

- A. The ~~Auditor~~ Revenue Division shall establish a collections process and shall be authorized to:
 - 1. Establish in writing, rules and procedures to carry out provisions of this Section. Maintain a record of the rules and procedures and make the rules available to the public.
 - 2. Establish fees including a billing and rebilling fee to recover the cost of collecting the delinquent lien amount;
 - 3. Establish penalties and increases in the interest rate to encourage early payment of delinquent lien accounts; and
 - 4. Report delinquent lien accounts to a credit rating bureau to encourage payment if directed by the Department of Environmental Quality and the Council.
- B. The ~~Auditor~~ Revenue Division will notify the Bureau of Environmental Services when an account becomes 60 days past due. The collection process shall begin after the account becomes 90 days past due. The Bureau of Environmental Services may delay the collection process up to 12 months if it notifies in writing to the ~~Auditor~~ Revenue Division and the Department of Environmental Quality. Such notification will include the account number, the principal balance, the past due

amount, and the extenuating circumstances that would justify a delay in the collection process. The collections process at a minimum shall include the following steps:

1. The property owner and mortgage holder shall be notified of the delinquent assessment or connection charge for each of three months prior to the sale.
2. The notice shall state that if the account is not brought current, the property will be sold at a foreclosure sale.
3. The Department of Environmental Quality shall be given a copy of the foreclosure list at least three months before the sale.

[Subsections C. and D. are unchanged.]

- E. The ~~Auditor~~ Revenue Division may waive delinquent interest, penalties and charges if a delay in receiving payment is caused by an oversight, omission or error by City staff.
- F. The ~~Auditor~~ Revenue Division is authorized to void the installment payment provisions of a sewer safety net contract, as follows:
 1. After a sewer safety net assessment becomes delinquent and prior to the ~~Auditor~~ Revenue Division placing the property on the foreclosure list, the ~~Auditor~~ Revenue Division may void the installment payment provisions and require the property owner to renegotiate new installment payment arrangements.
 2. After a sewer safety net assessment becomes delinquent and the ~~Auditor~~ Revenue Division has placed the property on the foreclosure list, the ~~Auditor~~ Revenue Division shall void the installment payment provisions and require the property owner to renegotiate new installment payment arrangements.

5.31.027 Renegotiation of Installment Payment Contracts.

(Added by Ordinance No. 167655, May 11, 1994.) When the ~~Auditor~~ Revenue Division declares the installment payment provisions of a sewer safety net contract void, the property owner may renegotiate new provisions to pay in installments the unbilled principal portion of the sewer safety net account. The ~~Auditor~~ Revenue Division shall offer new installment contract terms and conditions which protect the City's financial condition and assure the repayment of the sewer safety net account. The ~~Auditor~~ Revenue Division shall set the interest rate on the renegotiated contract at a rate greater than or equal to the interest rate of the original installment payment contract. The renegotiated installment contract shall be in the same form as required by Chapter 17.12 of this Code for assessment installment payment contracts. The property owner or other interested party shall pay all delinquent assessment installments before the City will accept the renegotiated installment payment contract.

5.31.030 Preforeclosure Process and Review for Delinquent Tax Accounts.

- A. At the conclusion of the collection process, the ~~Auditor~~ Revenue Division shall prepare a list of delinquent lien accounts. No property shall be placed on the list unless the payment is at least one year past due. There shall be a sale at least once a year.
- B. The ~~Auditor~~ Revenue Division shall determine whether any properties on the delinquent accounts list are also delinquent in the payment of property taxes. The ~~Auditor~~ Revenue Division shall identify those properties which are likely to be foreclosed upon by the County prior to the City's foreclosure sale.
- C. The ~~Auditor~~ Revenue Division shall review the list of properties to be foreclosed upon by the County and shall make a recommendation to the Bureau of Environmental Services and Department of Environmental Quality regarding any properties which should be purchased. The determination of whether to pay the taxes shall be based on whether the total amount of the liens and taxes on the property is less than the market value of the property or, if the property has been sold, whether the sale price received by the County was enough to pay the amount of the City liens upon resale. The Department of Environmental Quality by written letter shall direct the City Treasurer on which properties shall be purchased by the City.
- D. The City Treasurer shall remove from the County foreclosure list and notify the ~~Auditor~~ Revenue Division to add the total amount paid to the County to the lien against the property. The City Treasurer shall pay the County from funds designated and provided by the Department of Environmental Quality.

5.31.045 Review of Final Foreclosure List.

- A. The ~~Auditor~~ Revenue Division shall transmit a copy of the final foreclosure list to each Commissioner and to the Department of Environmental Quality for review. Any comments shall be transmitted to the ~~Auditor~~ Revenue Division within 15 working days from the date the ~~Auditor~~ Revenue Division sends the final foreclosure list to the Commissioners and Department.
- B. The Council shall:
 - 1. Review the final foreclosure list and shall make a report to the ~~Auditor~~ Revenue Division regarding whether each step in the preparation of the final foreclosure list, as set forth in City Code 5.31.025 B and 5.31.035 B has been applied correctly.
 - 2. Review the list of properties which have been on the final foreclosure list but for which no bids were received and make a recommendation on each property to the Department of Environmental Quality regarding how the property should be handled in order to liquidate the lien; and

3. Transmit to the ~~Auditor~~ Revenue Division the instructions from the Department of Environmental Quality regarding how to handle each property which has been placed on the final foreclosure list but not sold.

C. The ~~Auditor~~ Revenue Division shall:

1. Prepare a report to the Council which identifies properties which have been deleted from the list based on the recommendations of the Commissioners;
2. Transmit to the Council a list of properties which have twice been on final foreclosure lists and which have not sold together with the directions from the Department of Environmental Quality and Commissioners regarding how each property shall be handled; and
3. Prepare a revised final foreclosure list for submission to the Council for Council action.

5.31.050 Council Action on Final Foreclosure List; Recording of Notice.

A. The Council shall review the final foreclosure list and reports submitted by the ~~Auditor~~ Revenue Division to determine:

1. Whether each step in the collection process as set forth in City Code 5.31.025 B and 5.31.035 B has been applied correctly; and
2. The Council shall act by ordinance and shall identify for the ~~Auditor~~ Revenue Division and City Treasurer which properties should be placed on the final foreclosure list and as directed by the Department of Environmental Quality and the Council which properties on the list should be purchased by the City in the event no bids are received on those properties, and the source of the funds to be used to purchase the property.

B. The final foreclosure list shall be transmitted to the City Treasurer by the Council Clerk. After list is submitted to the City Treasurer, the only payment option is to bring the account current.

C. The City Treasurer shall record a Notice of Foreclosure and Sale for each property listed on the final foreclosure list in the County records in which the property is located before ordering a foreclosure report and before giving notice as required by City Code 5.30.065. The notice shall contain the ordinance number adopting the final foreclosure list; the address and legal description of the property, the time, date and place of the sale, the types and amounts of assessments and that the property will be sold unless the account is brought current and all interest, penalties, collection costs and sales costs to date are paid. It shall also state the name of the person and address and phone number where additional information is available.

- D. The City Treasurer shall determine the names and addresses of all persons having an interest in the sale including lien holders and whether the property is part of a bankruptcy estate. This may be done by purchasing a report from a title company.

[Subsection E. is unchanged.]

5.31.055 Notice to Persons on Final Foreclosure List of Foreclosure Action.

A. Individual notice.

1. The City Treasurer shall mail a “Notice of Foreclosure” to all persons having an interest in the property and to all persons requesting notice. It shall be sent at least 60 days prior to the sale by certified mail, return receipt requested.
2. The notice shall state that a foreclosure sale will be held and it shall specify the date, time and place. It shall contain the following information: the names of the owners of the property, the legal description of the property, the street address, the amount of the delinquent account stating both the principal and interest due as well as any penalties and collection charges, the type of the delinquent account, and the name of the City Treasurer. It shall also state that there shall be an additional charge.
3. The City Treasurer shall retain and file the returned mailing receipt.

B. Newspaper notice.

1. The City Treasurer shall have printed in a daily newspaper of general circulation the notice of sale once a week for four successive weeks.
2. The notice shall contain the information required in City Code 5.31.055 A 2.
3. A copy of the first of the four published newspaper notices shall be sent to the owner and to the occupant by certified mail, return receipt requested and a copy of the notice shall be retained in the file.

C. Posted notice.

1. The City Treasurer shall have notice posted on the property at least once, no less than four weeks before the sale. Proof of posting shall be maintained in the property foreclosure file.
2. The notice shall contain the information required in City Code 5.31.055 A 2.

3. The City Treasurer shall prepare an affidavit of posting and a copy of the affidavit shall be retained in the file.

[Subsection D. is unchanged.]

5.31.065 Payment of Lien and Presale and Sale Conditions, Subsection A.

(Amended by Ordinance No. 167655, May 11, 1994.)

- A. A person with an interest in the property may remove the property from the foreclosure list by paying the amount of the delinquent assessment with penalties, interest, collection costs and sales costs incurred to date any time prior to the sale. In addition, in the case of installment payments, the ~~Auditor~~ Revenue Division shall void the installment provision of the sewer safety net contracts and require the property owner or interested person to renegotiate new installment payment arrangements as provided ~~the~~ in this Chapter. Payment plans as provided by PCC 5.30.035 may not be initiated as a means to bring the account current. If requested, notice that the property has been removed from the sale, shall be recorded in the County records in which the property is located.

5.31.070 The Sale, Subsection A.

- A. The City Treasurer shall prepare rules governing the conduct of the sale. The rules shall be available at least 60 days prior to the sale.

5.31.075 Certificate of Sale and Notice of Sale to Property Owner.

- A. The City Treasurer shall immediately deliver a certificate of sale to the purchaser. The certificate of sale is a right to own the property at the end of the redemption period. The holder of a certificate of sale has no ownership rights and no possessory interest in the property prior to the completion of the redemption period and holds the certificate of sale subject to the rights of all persons having an interest in the property to redeem it, the City to place additional liens on the property and the right of the right of another unit of government to foreclose upon the property. All liability remains with the persons having an interest in the property until a deed is given to the purchaser.

[Subsection B. is unchanged.]

- C. The City Treasurer shall send to the property owner and all persons known to have an interest in the property a “Notice of the Sale” by certified mail, return receipt requested and by first class mail, within 10 working days after the sale. Notice shall be sent to any persons known to have acquired an interest in the property since initial notice was given unless a notice was recorded. The notice shall contain the following information: the name of the purchaser, the right of redemption, the date the redemption period expires, the redemption price, and the basis for calculating interest and penalties during the redemption period.

- D. It shall be the responsibility of the purchaser to keep the purchaser's current address on file with the City Treasurer.

5.31.080 Lien Docket Entry.

- A. The City Treasurer shall return to the ~~Auditor~~ Revenue Division the final foreclosure list with all collections and sales noted on it within three business days after the sale.
- B. The ~~Auditor~~ Revenue Division shall make the proper entries of the collections and sales in the appropriate lien docket.

5.31.085 Redemption.

[Subsection A. is unchanged.]

- B. Redemption shall be subject to the payment to the City Treasurer of the amount of the property sale price , the interest to date and the penalty to date. Property which has been sold at a foreclosure sale is not eligible for installment payments. Property may be redeemed only by payment in full.
- C. The City Treasurer shall issue a receipt to the person redeeming the property and shall report the redemption to the ~~Auditor~~ Revenue Division. Redemption discharges the property from the effect of the sale.

[Subsection D. is unchanged.]

- E. Upon deposit of the sum in redemption, the City Treasurer shall issue a check or warrant for the amount paid to the holder of the certificate of sale shown on the lien docket for the amount of the delinquent account, costs and interest.

5.31.090 Issuance of Deed, Subsection A.

- A. Upon expiration of the redemption period, the City Treasurer shall execute a deed conveying the property sold. The deed conveys to the grantee the legal and equitable title in fee simple.

5.31.105 Sale of Property, Subsection B.

- B. Except in situations where the purchaser agrees to accept a quit claim deed, the City Treasurer shall purchase title insurance as a precondition of sale and shall pay the cost of the policy.

9. [Amend Section 5.48.040](#)

5.48.040 Collection of Money Due the City.

(Amended by Ordinance Nos. 147159, 149198, 165955 and 181483; effective January 18, 2008.) The Office of Management and Finance of the City shall bill for all services

performed for other persons by the City and for all City accounts receivable, contracts receivable and grants receivable except for bills and statements regularly sent by the Bureau of Water Works, the City Treasurer, the OMF Risk Management Division, the ~~Assessment Division of the City Auditor's Office~~ Revenue Division and payments made under leases managed by the OMF Business Operations Division.

It shall be the duty of the officers of various departments, bureaus and divisions of the City to furnish the Office of Management and Finance, daily, a list or journal of all charges that are to be billed, together with supporting data.

If payment of a City bill sent by the Office of Management and Finance is not received within 30 days after the date of billing, it shall be delinquent. It shall be the duty of the Office of Management and Finance to pursue collection of these delinquent accounts using appropriate collection methods. When collection efforts do not result in payment, invoices will be forwarded to the City Attorney for collection, or in appropriate cases to the ~~City Auditor's Office~~ Revenue Division to submit to the Council an ordinance assessing the unpaid bill upon property chargeable therewith. The Director of the Bureau of Administrative Services may select delinquent accounts to refer to a collection agency if the director deems such referral appropriate.

Interest of 1 percent per month shall be charged on all bills which remain unpaid for 30 days or more after the invoice billing date. Interest shall be computed from the invoice date and compounded monthly.

The Director of the Bureau of Administrative Services may add a rebill charge to delinquent accounts. The rebill charge shall be the greater of \$5.00 or 25 percent of the amount which is delinquent, up to a maximum charge of \$25.00. The rebill charge may be reassessed every 60 days, until the account is paid, assessed, canceled or waived.

The Director of the Bureau of Administrative Services may offer an early payment incentive discount of up to 2 percent on any or all invoices paid within 10 days of the billing date.

10. Amend Subsection 5.48.050 C.

5.48.050 Improvements Without Assessment.

C. The deposited funds shall be disbursed by the City Treasurer on order of the Commissioner In Charge of the improvement project and after approval by the ~~City Auditor~~ Revenue Division. Disbursements shall be made as follows:

1. Contract payments shall be paid directly to the contractor;
2. Engineering fees and overhead shall be paid to the appropriate fund as revenue after the final cost of the contract has been determined.
3. Prior to the issuance of the certificate of completion by the City Engineer the fees charged to the permittee will be adjusted to agree with the actual costs of services as recorded by the City Engineer. The remaining balance, if any, after payment of all costs shall be returned to the permittee. If additional funds are required of the permittee, they shall be paid prior to the issuance of the certificate of completion.

11. Amend Section 5.52.030

5.52.030 Cancellation of City assessments on Mortgage Records.

The ~~City Auditor Revenue Division~~ is hereby authorized and empowered to cancel when paid, any and all assessments which have been or may be entered in the mortgage records for the cost of constructing sewers, drains, and all works necessary therefor by the City. Such cancellations may be made by endorsing a cancellation on the margin of the record as in case of release of mortgage or by executing and acknowledging a formal instrument of cancellation. Such cancellation shall be made only where payment has been duly received by the City Treasurer and duplicate copy of the receipt for such payment has been presented to the ~~City Auditor Revenue Division~~.

12. Amend Section 5.60.120

5.60.120 Lien Accounting System Access.

(Added by Ordinance No. 159619; amended by Ordinance No. 176577, effective July 1, 2002.) Access to the City's automated Lien Accounting System shall be provided by internet access. Fees for use of the System by internet will be assessed on a per search basis. The ~~City Auditor Revenue Division~~ shall set the fee per search and the fee may be adjusted annually. Agencies and individuals not affiliated with the City of Portland shall be billed monthly for searches on the System.

13. Amend Subsection 10.70.060.B.5

10.70.060 Civil Penalties

B. Administrative Enforcement Fees.

5. When a project meets the conditions for charging an enforcement fee as described in this Section, the Director shall file a statement with the ~~City Auditor Revenue Division~~ that identifies the property, the amount of the monthly fee, and the date from which the charges are to begin. The ~~Auditor Revenue Division~~ shall then:
 - a. Notify the responsible party of the assessment of enforcement fees;
 - b. Record a property lien in the Docket of City Liens; and,
 - c. Bill the responsible party monthly for the full amount of the enforcement fees owing, plus additional charges to cover the administrative costs of the ~~City Auditor Revenue Division~~; and
 - d. Maintain lien records until:
 - (1) The lien and all associated interest, penalties, and costs are paid in full; and

- (2) The Director certifies that all violations listed in the first or any subsequent notice of violation have been corrected.

14. Amend Subsection 10.80.030.B

10.80.030 Financial Responsibility.

- B. When a property meets the conditions for costs or penalties as described in this Section, the Director shall file a statement of such costs or penalties with the Auditor Revenue Division. Upon receipt of the statement, the Auditor Revenue Division shall mail a notice to the property owner, stating the City's intent to assess the property in question the amount due plus charges to cover the costs of the ~~City Auditor Revenue Division~~. In the event that amount due set forth in the notice is not paid in full within 30 days of the date of notice, the Auditor Revenue Division shall enter the amount of the unpaid balance, plus charges to cover administrative costs of the ~~City Auditor Revenue Division~~, in the Docket of City liens which shall therefore constitute a lien against the property.

15. Amend Subsection 11.70.090.B.8.f

11.70.090 Enforcement Actions.

- B. Standard enforcement actions. Standard enforcement actions may be invoked for general violations of this Title, including conducting tree activities without a required tree permit. In addition to these standard actions, the City Forester may take additional actions for City and Street Tree violations as described in Subsection C.

8. Enforcement fees and penalties.

- f. When a property meets the conditions for charging fees and penalties as described in this Section, the BDS Director or City Forester, as applicable, will file a statement with the ~~City Auditor Revenue Division~~ that identifies the property, the amount of the monthly penalty, and the date from which the charges are to begin. The Auditor Revenue Division will then:

- (1) Notify the property owner of the assessment of enforcement penalties;
- (2) Record a property lien in the Docket of City Liens;
- (3) Bill the property owner monthly for the full amount of enforcement penalties owing, plus additional charges to cover administrative costs of the ~~City Auditor Revenue Division~~; and

- (4) Maintain lien records until the lien and all associated interest, fees, penalties, and costs are paid in full; and the BDS Director or City Forester, as applicable, certifies that all violations listed in the original or any subsequent notice of violation have been corrected.

16. Amendments to Sections in Chapter 17.08 – Local Improvement Procedure

17.08.010 Definitions and Scopes of Duties, Subsection E.

(Amended by Ordinance Nos. 182389 and 184957, effective November 25, 2011.)

E. The ~~City Auditor~~ Revenue Division shall be responsible for:

1. Mailing notices for the formation hearing of a local improvement district at the direction of the Local Improvement District Administrator;
2. Receiving written remonstrances against the formation of a local improvement district, and forwarding such remonstrances to the Local Improvement District Administrator for a response;
3. Maintaining records of preliminary estimates of assessments;
4. Mailing notices for the final assessment hearing for a local improvement district at the direction of the Local Improvement District Administrator;
5. Receiving written objections to the final assessment for a local improvement district, and forwarding such objections to the Local Improvement District Administrator for a response;
6. Entering final assessments for a local improvement district into the docket of City Liens upon passage of an assessment ordinance for a local improvement district;
7. Mailing of notices of final assessment to property owners after passage of the assessment ordinance and entry into the docket of City Liens;
8. Determining the individual financial capacities of property owners, and whether to offer bonding, if requested; and
9. Obtaining interim financing to pay for local improvement costs prior to bonding.

17.08.070 Local Improvement District Formation and Remonstrances.

A. Notice of Public Hearing

[Subsections 1. and 2. are unchanged.]

3. Mail Notice: At least 21 calendar days before the local improvement district formation hearing on the proposed improvement, the City Auditor Revenue Division, at the direction of the Local Improvement District Administrator, shall mail to the owner of each property within the proposed assessment district, a notice containing the following:
 - a. The information required in Section 17.08.070.A.1;
 - b. A description of the property; and
 - c. A preliminary estimate of the assessment for the property.

[Subsection 4. is unchanged.]

B. Remonstrances

1. If property owners choose to remonstrate against the proposed improvement such remonstrances must be received by the City Auditor Revenue Division by 5:00 PM seven (7) calendar days prior to the local improvement district formation hearing. A remonstrance must be in writing and must be delivered in person or by first class U.S. mail to the City Auditor Revenue Division. The City Auditor Revenue Division is not responsible for remonstrances sent via facsimile or via e-mail. The remonstrance shall state the reasons for the objection. Any person acting as agent or Attorney with power to act in signing the remonstrance shall, in addition to describing the property affected, file with the remonstrance a copy in writing of the authority to represent the owner or owners of property. The City Auditor Revenue Division will forward the remonstrance to the Local Improvement District Administrator for a response. A written remonstrance may be withdrawn at any time before the close of the City Council hearing on the formation of the District.

[Subsections 2. and 3. are unchanged.]

C. Formation Ordinance

[Subsection 1. is unchanged.]

2. The local improvement district formation ordinance shall contain, at a minimum, directives that:
 - a. Create the district;
 - b. Include benefited properties in the district as shown on an attached exhibit;

- c. State the property owners' share of the costs that the benefited properties will be assessed, and any other entities' shares, as applicable;
- d. State the assessment formula or assessment formulas;
- e. Direct the Responsible Engineer to arrange for the preparation of plans and specifications;
- f. Direct the Responsible Engineer to arrange for construction- of the improvement;
- g. Direct the ~~City Auditor~~ Revenue Division to obtain interim financing to pay for local improvement costs prior to bonding; and
- h. Sustain or overrule any remonstrances received.

D. Local Improvement District Formation Hearing

[Subsections 1. through 6. are unchanged.]

- 7. Upon City Council's passage of an ordinance forming a local improvement district, the assessment formula may not be changed notwithstanding concurrence among the property owner(s), nor can the assessment obligation be transferred to a property not included in the local improvement district. No release of obligation shall be made by the ~~City Auditor~~ Revenue Division until after final assessment is made.

17.08.110 Total Cost of Local Improvement, Subsection D.

- D. The ~~City Auditor~~ Revenue Division shall maintain a fee schedule that shall be used for determining the charge to be made ~~by the City Auditor for City Auditor's Office~~ the Revenue Division's administrative services and general City administrative services in connection with local improvements. These charges will include a Superintendency fee; a recording fee which shall be fixed regardless of the amount of the assessment; and a monthly billing fee if the property owner does not pay the full assessment at the time it is levied.

17.08.130 Final Assessment and Objections, Subsections B - D.

(Amended by Ordinance Nos. 182760 and 184957, effective November 25, 2011.)

B. Notice of Proposed Final Assessments

- 1. At least 21 calendar days before the public hearing on the proposed final assessment, the ~~City Auditor~~ Revenue Division at the direction of the Local Improvement District Administrator shall provide notice to the owner of each property or to the owner's agent as shown in the County tax record either by mail or by personal delivery. The notice shall state:

- a. The property description;
 - b. The amount of the proposed final assessment against the property;
 - c. A statement that this amount could be modified as a result of objections filed by other property owners in the district unless the cost to property owners is fixed;
 - d. The date, time and place of the final assessment hearing;
 - e. The deadline and manner for filing objections to the proposed final assessment; and
 - f. Contact information for the Local Improvement District Administrator.
2. The Local Improvement District Administrator shall publish 2 notices- of the proposed final assessment in a newspaper of general circulation in the City at least 14 calendar days prior to the final assessment hearing.

C. Final Assessment Hearing and Objections

1. Any owner of property proposed to be assessed a share of the cost of a local improvement may file an objection to the proposed final assessment in writing with the ~~City Auditor Revenue Division~~. The objection must be received by the ~~City Auditor Revenue Division~~ no later than 5:00 PM seven (7) calendar days prior to the hearing by City Council on the proposed final assessment. The ~~City Auditor Revenue Division~~ will forward the objection to the Local Improvement District Administrator for a response. The objection shall be filed in the same manner as set forth in Section 17.08.070.B and shall state the reasons for the objection. However, objections received to final assessment shall not affect Council jurisdiction over final assessment proceedings.

[Subsections 2. and 3. are unchanged.]

D. Final Assessment Ordinance

[Subsections 1. and 2. are unchanged.]

3. Upon passage of the assessing ordinance, the ~~City Auditor Revenue Division~~ shall enter the assessments in the docket of City liens and follow the assessment procedure set forth in Chapter 17.12. As provided by City Charter, the assessment ordinance shall take effect immediately upon passage or on any date fewer than 30 days after passage that is specified in the final assessment ordinance.

4. Claimed mistakes in the calculation of assessments shall be brought to the attention of the Local Improvement District Administrator, who shall determine whether there has been a mistake. If the Local Improvement District Administrator finds that there has been a mistake, ~~he or she~~ the Local Improvement District Administrator shall recommend to the City Council an amendment to the assessment ordinance to correct the error. On enactment of an amendment, the ~~City Auditor~~ Revenue Division shall cause the necessary correction to be made in the City lien docket. Such correction shall not change assessments against any other property within the district.

17. Amendments to Sections in Chapter 17.12 – Assessments

17.12.060 Assessing Ordinance.

The City Council may pass an assessing ordinance, effective immediately upon passage as prescribed in the City Charter, which shall set forth the assessments against the respective properties within the assessment district. Upon such passage the ~~City Auditor~~ Revenue Division shall enter the assessments in the docket of City liens.

17.12.070 Notice of Assessment.

After an assessment has been entered in the lien docket, the ~~Auditor~~ Revenue Division shall send a bill for the assessment by mail to each person whose property is assessed or to the owner's agent as shown in the County tax record.

17.12.130 Segregation of Assessments.

(Amended by Ordinance Nos. 177124 and 182760, effective June 5, 2009.)

- A. A lien against the real property in favor of the City may be segregated on the application of the owner(s), subject to the provisions of this section and any rules adopted by the ~~City Auditor~~ Revenue Division.
- B. Applications shall be made to the ~~City Auditor~~ Revenue Division and shall include:
 1. A legal description of each tract to be segregated;
 2. Documentation demonstrating that each tract to be segregated is a lot or parcel created by a subdivision, partition or other division of the original tract of land in accordance with ORS 92.010 to 92.190, and is consistent with all applicable comprehensive plans;
 3. The names of the owners of each tract, and the name of each person who will own each parcel should the segregation be approved;- and
 4. A full legal description that will be assigned by the County Assessor for each lot or parcel that is created as a result of the segregation.
- C. No segregation shall be made unless each part of the original tract of land after the segregation has a true cash value, as determined from the certificate of the county

assessor, of 200% or more of the amount of the lien as to each segregated tract concerned.

- D. The ~~City Auditor~~ Revenue Division shall compute a segregation of the lien against the real property on the same basis as it was originally computed and apportioned and shall record the segregation in the lien docket. If the original tract has been divided by filing of a condominium plat, the applicant for segregation may propose an alternative, equitable basis for computing segregation of the lien. The alternative proposed segregation shall be subject to the Council's approval by ordinance.
- E. No assessment shall be segregated until all outstanding delinquent City liens on the property are brought current.
- F. The ~~City Auditor~~ Revenue Division shall charge a fee for the segregation of assessments. The fee will be based in part on the number of lots or parcels that result from the segregation. The segregation fee may be amended from time to time and shall be stated in the Fees & Charges schedule maintained in the ~~Assessments Division of the City Auditor's office~~ Revenue Division.

17.12.140 Bonding.

(Amended by Ordinance Nos. 173369 and 177124, effective January 10, 2003.)

- A. Within 30 days of the entry in the lien docket a property owner may apply to pay the assessment, deficit assessment or re assessment or the amount remaining unpaid by installments as stated in the signed installment payment contract. The contract shall be in accordance with the terms and provisions of ORS 223.215. The contract shall be received by the ~~Auditor~~ Revenue Division subject to the limitations prescribed in this Section. The City may accept contracts after the 30-day period stated in this Section under procedures established by the ~~City Auditor~~ Revenue Division.
- B. If the sum assessed together with all unpaid sums then outstanding as assessments against the property exceeds one-half the real market valuation of the property as shown on the latest county tax rolls, then the ~~Auditor~~ Revenue Division shall reject the application unless the excess is paid in cash with the application and the application is made for the remainder only.
- C. If the installment payment contract has been received and is in force, the City Treasurer may accept prepayments of any installments without penalty for the prepayment. Whenever an installment is paid, accrued interest to the due date of the installment on the unpaid assessment balance, plus interest on the past due installment if any, shall be paid with the installment.

[Subsections D. and E. are unchanged.]

- F. Interest rates for bonded assessments shall be set using an adjusted rate mechanism. The City Council shall set an interim rate by ordinance, which shall be applied to the unpaid balance until improvement bonds are sold to finance the bonded

assessments. Upon sale of bonds, the ~~Auditor~~ Revenue Division shall adjust the interest rate to the rate received by the City on the bond issue (expressed as true interest cost) plus a fee to cover insurance and discount on the bonds. All subsequent payments will be made at the new adjusted rate. Property owners who sign an installment contract for systems development charges shall receive the adjusted rate.

- G. Bond financing fees shall be charged to each installment contract to defray the costs of financing per a fee schedule on file with the ~~City Auditor~~ Revenue Division. The fee schedule will include a loan creation fee as well as a bond financing fee. Bond financing fees are in addition to costs set forth in Chapter 17.08

[Subsections H. is unchanged.]

- I. The ~~City Auditor~~ Revenue Division shall charge a billing and service charge which shall be added to each statement and shall be in addition to principal, interest, penalties, costs and other fees. This fee shall be per a schedule on file with the ~~City Auditor~~ Revenue Division. This fee shall be in addition to the fees set forth in this Chapter 17.08, Section 17.12.140 G. and Section 17.12.140 H.

18. Amend Subsection 17.13.090.B

17.13.090 Payment.

- B. Upon written request of Portland Parks & Recreation, the ~~City Auditor~~ Revenue Division is authorized to cancel assessments of SDCs, without further Council action, where the New Development approved by the Building Permit is not constructed and the Building Permit is cancelled.

19. Amend Section 17.14.050

17.14.050 Assessment.

The ~~City Auditor~~ Revenue Division shall report to the Council from time to time the contracts to pay system development charges pursuant to this Chapter. If the Council finds that the contracts are in order and that subject property has been permitted to connect to City facilities and has thereby benefited, it shall approve the contracts by ordinance direct the billing for the charges upon the land benefited plus a financing fee. The financing fee shall be calculated as set forth in PCC 17.12 Assessments. All such assessments may be combined in one assessment roll and shall be entered upon the Docket of City Liens and collected in the same manner as other local improvement assessments.

20. Amend Subsection 17.14.060.A

17.14.060 Cancellation.

- A. Upon written request of the responsible City bureau, the ~~City Auditor~~ Revenue Division is authorized to cancel assessments of system development charges,

without further Council action, where the property is not physically connected to the public improvement of where the new development approved by the building permit is not constructed and the building permit is cancelled. The ~~City Auditor~~ Revenue Division shall establish administrative guidelines and fees or charges relating to the cancellation of assessments. The ~~City Auditor~~ Revenue Division shall maintain on file for public inspection a current copy administrative guidelines and fees or charges.

21. Amend Subsection 17.15.080.B

17.15.080 Payment.

- B. Upon written request of the Bureau of Transportation, the ~~City Auditor~~ Revenue Division is authorized to cancel assessments of SDCs without further Council action, where the New Development approved by the Building Permit is not constructed and the Building Permit is cancelled.

22. Amend Section 17.16.030

17.16.030 Progress Payments.

- A. Subject to applicable provisions of the City Charter and in accordance with the specifications adopted for particular work by the Council, progress payments may be made by the City periodically as required by the contract for the improvement work, on the basis of a certificate concerning the same, filed with the ~~Auditor~~ Revenue Division by the Responsible Engineer.

[Subsection B. is unchanged.]

- C. On any contract for a local improvement which does not contain a specific provision for progress payments, a single progress payment shall be made at the time the final estimate of the Responsible Engineer is filed with the ~~City Auditor~~ Revenue Division if such payment is requested by the contractor. The progress payment shall not exceed 95 percent of Council authorized contract costs included in the final estimate. This paragraph shall be applicable to contracts which are completed after the passage of this Ordinance.

23. Amend Section 17.16.070

17.16.070 Claims Against Contractors.

(Amended by Ordinance No. 173295, effective April 28, 1999.) Notwithstanding contractual provisions for payment of progress payment warrants, final payment warrants or payment of retainage, any person given a right by statute to institute an action on the contractor's bond may file a claim with the ~~City Auditor~~ Revenue Division for the labor, material, or payment to State funds for which the contractor is liable in connection with the performance of the contract. In the event such claim is filed and the contractor has money due and owing from the City, the money due and owing shall not be paid to the contractor

until 20 days after the filing of the claim. If, prior to the expiration of such 20 day period, the money due and owing to the contractor has been ordered withheld or paid into court by a court of competent jurisdiction, if the claimant withdraws ~~his or her~~ the claim, or if the contractor orders all or a portion of the amount due and owing to be paid to the claimant, then the ~~Auditor~~ Revenue Division shall divide the payment or treat the same as required by such order or withdrawal. However, if the only money due and owing to the contractor is the final retainage, then the City shall have first call upon the retained amount for correction of defects in the contract.

24. Amendments to Sections in Chapter 17.28 – Sidewalks, Curbs and Driveways

17.28.030 Notice for Construction of Sidewalks and Curbs.

(Amended by Ordinance Nos. 182760 and 184957, effective November 25, 2011.) Where the sidewalk or curb in front of any lot, part thereof, or parcel of land is or becomes so worn or deteriorated as, in the opinion of the City Engineer, to require a new sidewalk or curb to be constructed, or where no sidewalk or curb exists and, in the opinion of the Director of the Bureau of Transportation, a sidewalk or curb or both are needed, it shall be the duty of the City Engineer to post a notice on the adjacent property headed “Notice to Construct Sidewalk” (or curb, or both). The notice shall in legible characters direct the owner, agent, or occupant of the property immediately to construct a sidewalk or curb or both in a good and substantial manner and in accordance with the City ordinances, regulations and plans therefore which will be furnished by the City Engineer upon application. The City Engineer shall file with the ~~Auditor~~ Revenue Division an affidavit of the posting of the notice, stating when and where the same was posted, and shall furnish upon request proper specifications, standards and information for the construction thereof. The City Engineer shall send by mail a notice to construct the sidewalk or curb, or both, to the owner of the property, if known, or to the agent of the owner, if known, directed to the post office address of the owner or agent, when the post office address is known to the City Engineer. If the post office address is unknown to the City Engineer, the notice shall be directed to the owner or agent at the address where the notice was posted. A mistake in the name of the owner or agent, or a name other than that of the owner or agent of such property, or any mistake in the address, shall not render void the notice, but in such case the posted notice shall be sufficient.

17.28.040 Construction Alternatives.

(Amended by Ordinance Nos. 182760 and 184957, effective November 25, 2011.) In case three or more adjacent properties are posted with notice to construct sidewalk or curb, or both, as set forth in Section 17.28.030, they may petition for such construction as a local improvement. Otherwise it shall be the duty of the owners of properties posted with such notice to construct the same. Before constructing the sidewalk or curb, or both, the owner, designated agent or the occupant of the property intending to construct the same, shall obtain from the Director of the Bureau of Transportation a permit therefore, which permit shall prescribe the kind of sidewalk or curb, or both, to be constructed, the material to be used and the width thereof. After notice to construct sidewalk or curb, or both, has been posted, the owner, agent or occupant shall construct the same within 30 days from the date of posting, or within said time shall show cause, if any there be, by a written remonstrance addressed to the City Council stating why the same should not be constructed. The Council

will grant a hearing to the remonstrator at a regular meeting as soon thereafter as the same can be filed on regular Council Calendar. The Council will thereupon determine whether or not such sidewalk or curb, or both, shall be constructed. If the remonstrator is not present at the time of such determination by the Council, the ~~City Auditor Revenue Division~~ shall forthwith notify such person of such determination of the Council by mail sent to the address given upon the written remonstrance. Failure of the ~~City Auditor Revenue Division~~ to send the notice, or failure of the remonstrator to receive the same, or any other mistake therein, shall not render void or ineffective the lien to be imposed upon the property in the event of City construction. In the event that the Council determines that the sidewalk or curb, or both, shall be constructed, the owner or designated agent or the occupant shall within 10 days thereafter begin the construction thereof and diligently prosecute the same to final completion.

17.28.150 Billing for Charges.

(Amended by Ordinance No. 183348, effective December 18, 2009.)

- A. When work is completed by the City on any construction, reconstruction or repair of a sidewalk, curb or driveway, the amount of the charge shall be determined by the City Engineer or responsible bureau and reported to the ~~City Auditor Revenue Division~~. The ~~City Auditor Revenue Division~~ shall calculate a proposed assessment that includes the amount of the improvement charge plus 10% of the charge to defray the administrative costs of notice, assessment and recording.
- B. The ~~City Auditor Revenue Division~~ shall prepare a proposed assessment notice for the owner of each property or the owner's agent as shown in the County tax records. The notice shall be mailed at least 21 calendar days before the public hearing on the proposed assessment, and the notice shall consist of the following information:
 - 1. The legal description and site address of the property;
 - 2. The amount of the proposed assessment against the property;
 - 3. The manner and deadline for filing a written remonstrance to the proposed assessment amount;
 - 4. The date, time and location of the public hearing for Council consideration of the proposed assessment; and
 - 5. Contact information for sidewalk repair.
- C. Any owner of property proposed to be assessed for sidewalk repair may file a remonstrance to the proposed assessment with the ~~City Auditor Revenue Division~~. The remonstrance must be in writing and received by the ~~City Auditor Revenue Division~~ via US mail or hand delivered no later than 5:00 PM eight (8) calendar days prior to the hearing by the City Council on the proposed final assessment. Upon receipt of a timely filed remonstrance the ~~City Auditor Revenue Division~~ shall remove the property from the filing of the proposed assessment before the

council hearing date, and shall refer the remonstrance to the responsible bureau for follow-up and response.

- D. The ~~City Auditor~~ Revenue Division shall mail the proposed assessment notice by first class mail to the owners of the affected property. The notice shall be deemed given upon deposit in the U.S. mail.

17.28.160 Assessment of Charges.

(Amended by Ordinance Nos. 182760 and 183348, effective December 18, 2009.)

- A. The ~~City Auditor~~ Revenue Division shall refer to the City Engineer or responsible bureau all remonstrances and remove from further assessment action the proposed assessments which are associated with the remonstrances. The City Engineer or responsible bureau shall review each remonstrance by taking the following actions:
 - 1. Determine whether the improvement work was required by Code and whether the conditions required the improvements, whether the required improvements are consistent with Code and City specifications, and whether the improvement charges are calculated as provided by Code; and
 - 2. Determine the extent of actions or adjustments which are necessary to bring the proposed assessment into compliance with Code and program standards; and
 - 3. Mail a statement of findings to the remonstrating property owner, and file a copy with the ~~City Auditor~~ Revenue Division. The findings shall include a statement that the property owner may appeal the determination to the Council.

[Subsection B. is unchanged.]

- C. Following adoption of the assessing ordinance, the ~~City Auditor~~ Revenue Division shall mail a final assessment notice to the owners of the affected property as shown on the last available assessment roll in the office of the county assessor. The notice shall be deemed given upon deposit in the U.S. mail. The notice shall contain the following information:
 - 1. The legal description and site address of the property;
 - 2. The final assessment amount;
 - 3. A statement that the final assessment is recorded in the Docket of City Liens, and is a lien which has first priority against the property as provided by state statute;
 - 4. The manner and deadline for paying the final assessment in full or requesting to pay the final assessment in installments if authorized by Code;

5. The interest, penalties and collections costs which shall be charged if the final assessment is not paid or an installment payment contract is not filed before the deadline contained in the notice; and
 6. A statement that delinquent final assessments may be collected by foreclosure and property sale.
- D.** The ~~City Auditor~~ Revenue Division shall maintain a Docket of City Liens containing final assessments on property. Any unpaid final assessment shall be recorded in the City lien docket, and it shall be binding upon the property owner and all subsequent property owners of the property or any segregated part of it. The docket shall stand thereafter as a lien docket the same as ad valorem property taxes assessed in favor of the City against each lot or parcel of land until paid, for the following:
1. The amount of the unpaid final assessments docketed, with accrued interest at the rate determined by the City Council, or in the case of an installment contract, at the rate set forth in the contract; and
 2. Any additional interest, penalties, or billing charges imposed by the City with respect to any installments of final assessments which are not paid when due.

[Subsections E. and F. are unchanged.]

25. Amend Subsection 17.41.020.A

17.41.020 Definitions.

(Amended by Ordinance Nos. 173369 and 182760, effective June 5, 2009.) For purposes of this Chapter 17.41:

- A.** “**Costs**” means any costs, direct or indirect, incurred by the City in the abatement of a landslide. Costs may include, but are not limited to, those associated with the removal of debris, traffic control and barricading, engineering, construction, erosion control, reforestation, restoration and repair of existing public facilities, City overhead as provided in 5.48.030, and ~~City Auditor~~ Revenue Division’s charges established in 17.12.020 B.

26. Amend Subsection 17.106.050.F

17.106.050 Enforcement and Penalties.

- F.** If the Director assesses an enforcement penalty as described in this Section, the Director will file a statement with the ~~City Auditor~~ Revenue Division that identifies the property, the amount of the penalty, and the date from which the charges are to begin. The ~~Auditor~~ Revenue Division will then:

1. Notify the property owner of the assessment of enforcement penalties;
2. Record a property lien in the Docket of City Liens;
3. Bill the property owner monthly for the full amount of enforcement penalties owing, plus additional charges to cover administrative costs of the ~~City Auditor~~ Revenue Division; and
4. Maintain lien records until the lien and all associated interest, penalties, and costs are paid in full; and the Director certifies that all violations listed in the original or any subsequent notice of violation have been corrected.

27. Amend Subsection 18.18.030.B.5

18.18.030 Civil Penalties and Fees.

A violation of this Title may result in assessment of civil penalties or enforcement fees, as provided below:

B. Administrative enforcement fees.

5. When a violation meets the conditions for charging an enforcement fee as described in this Section, the Director will file a statement with the ~~City Auditor~~ Revenue Division that identifies the property, the amount of the monthly fee, and the date from which the charges are to begin. The ~~Auditor~~ Revenue Division will then:
 - a. Notify the responsible party of enforcement fees;
 - b. Record a property lien in the Docket of City Liens;
 - c. Bill the responsible party monthly for the full amount of the enforcement fee owing, plus additional charges to cover the administrative costs of the ~~City Auditor~~ Revenue Division; and

28. Amend Subsection 22.06.010.C

22.06.010 Assessments.

- C. The bureau incurring such costs shall furnish a statement of such costs on the owner, in person or by United States Mail, postage prepaid and addressed to the owner(s) at the owner(s) residence or place of business, and shall file a copy of such statement for the Code Hearings Officer with proof of service attached. If no objection to such statement is filed with the Office of the Code Hearings Officer within 15 days from the date of service or mailing, the Code Hearings Officer shall certify such statement and forward the same to the ~~Office of the City Auditor~~ Revenue Division who shall forthwith enter the same in the City lien docket.
 1. If an objection to the statement is received within the 15-day period, the

Code Hearings Officer shall schedule and hold an appeal hearing pursuant to Chapter 22.10. After the hearing, the Code Hearing Officer shall certify such statement, or so much of it as ~~he~~ the Code Hearing Officer determines is correct and proper, and forward it to the ~~Office of the City Auditor Revenue Division~~ Office of the City Auditor Revenue Division who shall enter it into the City lien docket.

2. The Code Hearings Officer shall certify to the ~~Office of the City Auditor Revenue Division~~ Office of the City Auditor Revenue Division the amount of any civil penalty imposed under any order of the Code Hearings Officer, and the ~~City Auditor Revenue Division~~ City Auditor Revenue Division shall enter it into the City lien docket. The lien imposed for the civil penalty shall be in addition to any lien imposed for costs actually incurred by the City.

[Subsections 3. and 4. are unchanged.]

29. Amend Subsection 29.70.010.E

29.70.010 Enforcement Fees or Penalties for Nuisance, Housing and Dangerous and Derelict Buildings.

- E. When a property meets the conditions for charging an enforcement fee or penalty, the Director shall file a statement with the ~~City Auditor Revenue Division~~ City Auditor Revenue Division that identifies the property, the amount of the monthly fee or penalty, and the date from which the charges are to begin. The ~~City Auditor Revenue Division~~ City Auditor Revenue Division shall then:
 1. Notify the property owner(s) of the assessment of enforcement fees or penalties and the 10 percent ~~City Auditor Revenue Division~~ City Auditor Revenue Division charge; and
 2. Record a property lien in the Docket of City Liens; and
 3. Bill the property owner(s) monthly for the full amount of enforcement fees or penalties owing, plus additional charges to cover administrative costs of the ~~City Auditor Revenue Division~~ City Auditor Revenue Division; and
 4. Maintain lien records until:
 - a. The lien and all associated interest, penalties, charges and costs are paid in full; and
 - b. The Director certifies that all violations listed in the original or any subsequent notice of violation have been corrected.

30. Amend Subsection 29.70.020.D

29.70.020 Costs and Penalties for Abatement of Nuisances, Disable Vehicles, and Re-occupancy in Violation.

- D. When a property meets the conditions for assessment of fees or penalties as described in Subsections A., B. or C. above, the Bureau of Development Services

shall file a statement of such- fees or penalties with the ~~City Auditor Revenue Division~~. Upon receipt of the statement, the ~~City Auditor Revenue Division~~ shall mail an assessment notice to the property owner. The notice shall include the amount due plus 10 percent charges to cover the administrative costs of the ~~City Auditor Revenue Division~~. At the same time the notice is mailed by the ~~City Auditor Revenue Division~~, the ~~City Auditor Revenue Division~~ shall enter the amount due or the amount of the unpaid balance, plus charges to cover the administrative cost of the ~~City Auditor Revenue Division~~, in the Docket of City Liens which shall thereafter constitute a lien against the property. The property owner is responsible for paying all liens assessed against the property.

31. Amend Subsection 29.70.030.B

29.70.030 Building Demolition Costs and Penalties.

(Amended by Ordinance Nos. 176528 and 183793, effective May 19, 2010.)

- B.** Costs and penalties resulting from demolition by the City of any structure pursuant to this Title plus 10 percent charges to cover the administrative costs of the ~~City Auditor Revenue Division~~ shall be assessed as a lien upon the real property on which the structure was located pursuant to the provisions of Chapter 22.06 of City code.

32. Amend Subsection 32.66.020.B.5

32.66.020 Civil Penalties and Fees.

(Amended by Ordinance Nos. 176469 and 183793, effective May 19, 2010.) A violation of this Title may result in assessment of civil penalties or enforcement fees, as provided below:

- B.** Administrative enforcement fees.
 - 5.** When a violation meets the conditions for charging an enforcement fee or penalty as described in this Section, the Director will file a statement with the ~~City Auditor Revenue Division~~ that identifies the property, the amount of the monthly fee or penalty, the amount of citations fines, and the date from which the charges are to begin. The ~~City Auditor Revenue Division~~ will then:
 - a.** Notify the responsible party of fines and enforcement fees and penalties;
 - b.** Record a property lien in the Docket of City Liens;
 - c.** Bill the responsible party monthly for the full amount of the accumulated fines and enforcement fee or penalty owing, plus additional 10 percent charges to cover the administrative costs of the ~~City Auditor Revenue Division~~; and

- d.** Maintain lien records until:
 - (1)** The lien and all associated interest, fines, penalties, charges, and costs are paid in full; and
 - (2)** The Director certifies that all violations listed in the initial and any subsequent citations or stop work orders have been corrected, inspected and approved.

EXHIBIT B – AMEND LOCAL IMPROVEMENT DISTRICT PROCESS POLICY
BINDING CITY POLICY BCP-ENB-6.01

1. Amend POLICY, Subsection 3, 6, 7, and 8

POLICY

NOW, THEREFORE, BE IT RESOLVED

3. That to ensure that all benefitted property owners pay all costs associated with their LIDs, the ~~City Auditor~~ Revenue Division is directed to annually review all LID fees and assessments to ensure that all direct financing and administrative costs are recovered from the benefitted property owners, and to bring recommendations to Council to implement these fees and charges, and

6. That the ~~City Auditor~~ Revenue Division is hereby directed to continue her efforts to improve the collection activities necessary to ensure full and prompt payment of all LID and Improvement Bond assessments and charges, and the ~~City Auditor~~ Revenue Division is further directed to bring revised policies to improve collections to the Council for approval as soon as possible, and

7. That the Office of Fiscal Administration and the ~~City Auditor~~ Revenue Division are directed to monitor bond market conditions and to bring to Council ordinances authorizing defeasance or refunding of Bancroft debt as appropriate to further improve the condition of the Improvement Bond Interest and Sinking Fund and to reduce the possibilities of any future deficits, and

8. That the Office of Fiscal Administration and the ~~City Auditor~~ Revenue Division are hereby directed to structure all future Bancroft Bond issues and interim LID financing to comply with the provisions of the Tax Reform Act of 1986, to reduce any risks for the City as a whole, and to obtain the best possible interest rates for benefitted property owners.

2. Amend BE IT FURTHER RESOLVED, Subsection 2

BE IT FURTHER RESOLVED

2. That the Office of Fiscal Administration and the ~~City Auditor~~ Revenue Division are hereby directed to take all necessary steps and to obtain necessary Council approval to implement the recommendations in those two reports, and

EXHIBIT C – AMEND LOCAL IMPROVEMENT DISTRICT FINANCING POLICY
BINDING CITY POLICY BCP-ENB-6.02

1. Amend Section C, Subsections 2 and 3

C. Responsibilities.

The following general responsibilities will govern the evaluation of a proposed local improvement project prior to City Council adoption of an ordinance to form a local improvement district:

2. The lead public works bureau shall be responsible for assisting property owners with the procedures to file a petition to form a local improvement district. To the greatest extent possible, the bureau should attempt to identify financing issues early in the petition process, and include the ~~Auditor's Office~~ Revenue Division in a review of possible financial options.
3. The ~~Auditor's Office~~ Revenue Division shall be responsible for evaluating the financial feasibility and measuring the financial risk of a proposed local improvement project based on this Policy.

2. Amend Section D

D. Feasibility Tests.

The ~~City Auditor~~ Revenue Division shall use the following tests when evaluating the financial feasibility of a local improvement project. These tests, and any resulting financial security issues, shall be completed and addressed before the ~~Auditor's Office~~ Revenue Division prepares and files an ordinance to form a local improvement district. The ~~Auditor's Office~~ Revenue Division will perform the financial evaluation with assistance and involvement from public works bureaus, the Office of Finance and Administration, the Portland Development Commission, petitioners and other interested parties.

3. Amend Section E - Table

Security or Structural Consideration	Standard or Condition
Lien Enforcement	The City shall use active collection and foreclosure practices to collect delinquent local improvement assessments.
Primary Security	The City places a municipal lien on property to secure local improvement assessments. Additional security is pledged by developers based on the value to lien ratio test of 2:1.
Secondary Security	The City shall adjust the interest rate on local improvement

	<p>assessment loans to provide for insurance for improvement bonds. The adjustment shall be determined by City Council, based on a recommendation of the Office of Finance and Administration, the Auditor's Office Revenue Division and the City's financial advisor. The interest rate adjustment shall be fixed at the time the Auditor's Office Revenue Division sets the permanent interest rate on assessment loans, following a bond sale. Proceeds shall be deposited in a dedicated reserve account to be used to cover debt service payments in the event of an assessment loan default.</p>
Ultimate Security	<p>The General Fund shall be ultimately responsible for securing improvement bonds. In the event that a property owner default of an assessment loan requires debt service payments beyond the coverage established in improvement bond reserve account, City enterprise funds shall make payments on behalf of the General Fund as set forth in the bond sale ordinance. Participation by each enterprise fund shall be proportionate based on the types of local improvement projects involved in the bond sale.</p>
Interest Rate Bump	<p>The Auditor's Office Revenue Division and Office of Finance and Administration shall provide that the interest rate adjustment authorized by City Code is sufficient to administrative costs, cash flow requirements and the reserve requirements set forth in City Code and this Policy.</p>
Contract versus Bond Length	<p>The City shall structure improvement bonds to mature at least 2 years following the last scheduled installment payment of an assessment loan financed by the bond sale.</p>
Bond Amortization Schedule	<p>The City shall offer monthly and semi-annual installment plans for the convenience of property owners. The City shall encourage early payoff and prepayment of assessment loans and use of 10 year loan terms wherever possible.</p>