

ORDINANCE NO. **149020**

An Ordinance amending Title 3.102, Property Tax Exemption for Residential Rehabilitation Improvements, which authorizes a local property tax exemption for rehabilitation improvements in certain non-owner-occupied residential property and establishes procedures for the administration of the exemption, to incorporate changes to ORS 308.450 to 308.451 adopted by the 1979 Oregon Legislative Assembly.

The City of Portland ordains:

Section 1. The Council finds:

1. That Oregon Revised Statutes (ORS) 308.450 to 308.481 (1975; Revised 1979) enables cities which adopt the provisions of ORS 308.450 to 308.481 to grant local property tax exemptions for rehabilitation improvements on certain non-owner-occupied residential property.
2. That adoption of the provisions of ORS 308.450 to 308.481 by the City of Portland through Ordinance No. 140815, establishing Chapter 3.102, Property Tax Exemption for Residential Rehabilitation Improvements, has facilitated compliance with Chapter 13 of the Uniform Building Code.
3. That a large, significant portion of the City's existing rental housing stock is in substandard condition, and that the cost of replacement of these units is prohibitive in many locations.
4. That these rental units provide a large portion of the lower cost and moderate cost housing in the City.
5. That the City has established the importance of safe, sanitary housing through the adoption and enforcement of Housing, Building, Fire, and related codes.
6. That the City Housing Policy, adopted by Ordinance No. 145472 on March 29, 1978, included policies on Existing Housing: Maintenance; and Existing Housing: Major Rehabilitation to encourage the continuing maintenance and rehabilitation of existing residential properties.
7. That residential, non-owner-occupied housing deterioration encourages a reduction of investment or value in surrounding properties and hence an acceleration of residential deterioration.
8. That the costs of this deterioration are great in social terms and in terms of a rapidly depreciated property tax base coupled with increased service demands.

9. That is is in the public interest to incorporate changes to Title 3.102, Property Tax Exemption for Residential Rehabilitation Improvements, enabled by the 1979 Oregon Legislative Assembly, which will expand the definition of eligible property, increase the term of limited assessment to ten (10) consecutive assessment rolls, and allow for completion of rehabilitation improvements on or before January 1, 1988.
10. And that the City believes that the property tax exemption, as authorized under Title 3.102 as amended by this ordinance, will provide a significant incentive toward encouraging and facilitating such a rehabilitation.

NOW, THEREFORE, the Council hereby adopts the amendments to ORS 308.450 to 308.481 enacted by the 1979 Oregon Legislative Assembly and amends the Code of the City of Portland, Title 3.102, Property Tax Exemption for Residential Rehabilitation Improvements, by amending the following sections of Chapter 3.102 to read as follows:

Chapter 3.102

PROPERTY TAX EXEMPTION FOR RESIDENTIAL REHABILITATION IMPROVEMENTS

Sections:

- 3.102.010 Definitions
- 3.102.060 Assessment
- 3.102.080 Termination
- 3.102.090 Report to the Legislature

3.102.010 Definitions. As used in this Chapter:

- (1) "Rehabilitation improvements" means modifications to existing structures which are made (to restore a rental unit to a condition of substantial compliance) to achieve a condition of substantial compliance, as defined in subsection (2) of this section.
- (2) "Substantial compliance" means compliance with Title 29, "Housing Regulations," of this Code and Chapter 13 of the Uniform Building Code as adopted by section 24.01.030 of this Code. It shall not mean that all heating, plumbing and electrical systems be replaced with systems meeting current standards for new construction.

- (3) "Eligible property" means land and the improvements thereon:
- (a) Which are either single or multi-family residential units and not owner occupied or are not residential units but which will become nonowner-occupied residential units through rehabilitation improvements;
 - (b) Which are not less than 25 years of age on September 13, 1975;
 - (c) Which provide not less than 50 percent of their accommodations for residential and not transient occupancy;
 - (d) Which fail to comply with one or more standards of Title 29, "Housing Regulations," of this Code, or Chapter 13 of the Uniform Building Code as adopted by Section 24.01.030 of this Code;
 - (e) On which sums have been expended after September 13, 1975 and prior to January 1, (1980) 1988 for the purpose of making rehabilitation improvements, and which sums in the aggregate equal or exceed 10 percent of the assessed value of the land and improvements thereon as reflected in the last equalized assessment roll next preceding the date on which the certificate of Qualification is filed pursuant to 3.102.050 of this chapter; and
 - (f) The owner of which has met all eligibility requirements and made all required agreements described in this chapter.

3.102.060 Assessment

- (1) As provided by ORS 308.459, eligible property shall be assessed at not more than its assessed value as it appears in the last equalized assessment roll next preceding the date on which the Certificate of Qualification is filed with the Assessor as provided in 3.102.050 of this chapter. If the Certificate of Qualification is filed with the Assessor after December 31 and before April 1, the limited assessment shall apply with respect to the first assessment roll equalized after that date or if the Certificate of Qualification is filed after March 31 and before January 1, the limited assessment shall continue to apply for a total of (five) ten consecutive assessment rolls.
- (2) As provided by subsection (4) of ORS 308.456, the limited assessment provided by this chapter does not apply to increases in assessed valuation made by the Assessor or by lawful order of a County Board of Equalization, the Department of Revenue or a court, to a class of property throughout the County or any specific area of the County to achieve the uniformity of assessment or appraisal required by ORS 308.232.

3.102.808 Termination

- (1) If, after a Certificate of Qualification has been filed with the County Assessor, the Building Inspections Director finds that the rehabilitation improvements were not completed on or before January 1, (1980) 1988, or that any provision of this chapter is not being complied with, the Building Inspections Director shall give notice in writing to the owner, mailed to the owner's last-known address of the proposed termination of the limited assessment. The notice shall state the reasons for the proposed termination of the limited assessment and require the owner to appear before the Council to show cause at a specified time, not more than 20 days after mailing of the notice, why the limited assessment should not be terminated.
- (2) If the owner does not appear or if he appears and fails to show cause why the limited assessment should not be terminated, the limited assessment shall be terminated. A copy of the termination shall be filed with the County Assessor and a copy sent to the owner at (his) the owners last-known address, within 10 days after its adoption.
- (3) However, if the City Council finds that the rehabilitation improvements were not completed by January 1, (1980) 1988, due to circumstances beyond the control of the owner, and that the owner had been acting and could reasonably be expected to act in good faith and with due diligence, the City Council may extend the deadline for completion for a period not to exceed 12 consecutive months.
- (4) The decision of the Council may be appealed as provided by law.
- (5) As provided by subsection (4) of ORS 308.477, if no appeal is taken as provided in subsection (4) of this section, or upon final adjudication, the County officials having possession of the assessment and tax rolls shall correct the rolls in the manner provided for omitted property under ORS 311.207 to 311.213, to provide for the assessment and taxation of any value not included in the valuation of the rehabilitation improvements during the period of limited assessment prior to termination by the Council or by a court, in accordance with the findings of the Council or the court as to the assessment year in which the limited assessment is to terminate. The County Assessor shall make the valuation of the property necessary to permit correction of the rolls, and the owner may appeal the valuation in the manner provided under ORS 311.207 to 311.213. Where there has been a failure to comply, as provided in subsection (1) of this section, the property shall be revalued beginning January 1 of the calendar year in which the noncompliance first occurred. Any additional taxes becoming due shall be payable without interest if paid in the period prior to the 16th day of the month next following the month of correction. If not paid within such period, the additional taxes shall thereafter be considered delinquent on the date they would normally have become delinquent if timely extended on the roll or rolls in the year or years for which the correction was made.

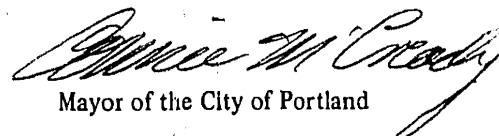
ORDINANCE No.

149030

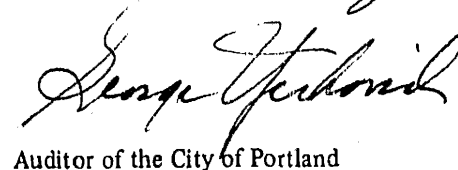
3.102.090 Report to the Legislature

The Office of Planning and Development shall, after consultation with the Portland Development Commission and the Bureau of Buildings, submit to the House and Senate Revenue Committees of the Oregon Legislature reports which shall describe the effect of this ordinance in the City of Portland. The reports shall describe the number of residential units to which the exemption applies, the value of the rehabilitation improvements made, the value of the tax exemptions granted, and the general effectiveness of the property tax exemption as an incentive to residential rehabilitation in Portland. Reports shall be filed within 60 days prior to the convention of each regular legislative session convened prior to January 1, (1980) 1988.

Passed by the Council, JAN 9 1980


Mayor of the City of Portland

Attest:


Auditor of the City of Portland

Calendar No. ⁹⁹~~30~~

ORDINANCE No. 149020

Title

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JAN 2 1980

PASSED TO THIRD READING JAN 9 1980

THE COMMISSIONERS VOTED AS FOLLOWS:		
	Yeas	Nays
Ivancie	1	
Jordan	1	
Lindberg	1	
Schwab		1
McCready	1	

FOUR-FIFTHS CALENDAR	
Ivancie	
Jordan	
Lindberg	
Schwab	
McCready	

Filed DEC 27 1979

GEORGE YERKOVICH
Auditor of the CITY OF PORTLAND

By *Donald Mallory*
Deputy

INTRODUCED BY
Mayor McCready

NOTED BY THE COMMISSIONER
Affairs
Finance and Administration <i>W</i>
Safety
Utilities
Works

BUREAU APPROVAL
Bureau: Office of Planning & Development
Prepared By: <u>Bruce Martin</u> Date:
Budget Impact Review: <input type="checkbox"/> Completed <input type="checkbox"/> Not required
Bureau Head: <u><i>Sandra L. Roberts</i></u> Cowles Mallory

NOTED BY
City Attorney
City Auditor
City Engineer <u><i>GP</i></u>