

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2723

STATUS: B-Engrossed

SUBJECT: Creates process for land validation and defines “lawfully established unit of land”

GOVERNMENT UNIT AFFECTED: Counties and Cities

PREPARED BY: Dawn Farr

REVIEWED BY: Susie Jordan

DATE: May 25, 2007

EXPENDITURES: See Comments.

REVENUES: See Comments.

EFFECTIVE DATE: January 1, 2007

GOVERNOR’S BUDGET: This bill is not anticipated by the Governor’s recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The bill allows a county or city to approve an application to validate a unit of land that was created by a sale that did not comply with the applicable criteria for creation of a unit of land under certain conditions; directs a county or city to not approve an application to validate a unit of land if the unit of land was unlawfully created on or after January 1, 2007; creates provisions for county recording of instruments conveying, or contracting to convey, fee title to real property; defines lawfully established unit of land; and modifies property sellers disclosure statement.

The fiscal impact to cities and counties is indeterminate. The bill gives cities and counties the statutory authority to validate units of land and to not approve applications if the unit of land was unlawfully created. Local ordinances would need to be modified to reflect this new authority, which is commonly done by cities and counties following a Legislative session. Some cities and counties have already established processes for addressing unlawfully created units of land. In other cities and counties the processes for implementing this authority would need to be developed. An application to validate a unit of land is considered to be an application for a permit, so a fee can be assessed for this service. The volume of applications for validations is unknown, but the assumption is that the fee will cover processing costs. At this time, there is not sufficient evidence to indicate that passage of this bill would trigger Section 15, Article XI of the Oregon Constitution.