

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass

Vote: 8 - 0 - 0

Yeas: Clem, Cowan, Esquivel, Garrett, Greenlick, Hanna, Wingard, Nolan

Nays: 0

Exc.: 0

Prepared By: Cheyenne Ross, Administrator

Meeting Dates: 5/19, 5/21, 5/26

WHAT THE MEASURE DOES: Permits governmental units to establish transferrable development credit (TDC) systems to allow intergovernmental transfer of development interests within and across jurisdictional boundaries. Requires that parties execute an intergovernmental agreement that includes Department of Land Conservation and Development (DLCD) if transfer involves different jurisdictions and different governmental units.

Establishes TDC system requirements: owner of land in sending area must sever and sell development interests for use in receiving area; developer of land in receiving area must purchase TDC to be allowed higher intensity of use; type, extent and intensity of use must be determined by administering governmental unit; and written notice of proposed transactions must be given holders of recorded instruments that encumber sending areas, for their approval or disapproval. Establishes further duties for administering governmental units: to designate sending and receiving areas, provide incentives to stimulate use of TDC systems, keep appropriate records, and provide periodic summaries to DLCD.

Requires that receiving areas be within urban growth boundaries (UGBs) or urban reserves with specific limitations. Permits administering governmental unit to contract with nonprofit organization to establish TDC bank. Requires DLCD to report to the 77th Legislative Assembly. Declares emergency; effective upon passage.

ISSUES DISCUSSED:

- Interim efforts that led to development of measure
- Market-based system; measure would enable the structure that would allow market forces to operate
- How a TDC bank would work
- Program is voluntary
- Variations between programs
- Federal matching funds available
- Use of conservation easement does not affect tax-deferred status of farm and forest lands

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Transferable development credit programs have been used by many units of government around the country to transfer development away from communities that are trying to limit it and into other communities that desire it. Current law already authorizes the use of TDCs and southern portions of Deschutes county have developed a program to help address a potential ground water quality problem. Senate Bill 763A provides more detailed direction to local governments that are interested in implementing such voluntary programs.

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This summary has not been adopted or officially endorsed by action of the committee.