

House Bill 2229

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for Department of Land Conservation and Development)

SUMMARY

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

Establishes main principles for state land use system.

Expands authorities for regional land use planning. Authorizes establishment of regional definitions of "agricultural land" and "forest land" for purposes of land use goal setting.

Directs Land Conservation and Development Commission to carry out policy-neutral review and audit of land use system to reduce complexity.

Provides for state strategic plan integrating land use, transportation and economic development priorities.

Directs Oregon Progress Board to coordinate with Department of Land Conservation and Development, during or before next review of Oregon Benchmarks, to develop performance measures for each statewide land use goal.

Appropriates moneys from General Fund to Department of Land Conservation and Development to implement specified provisions.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to recommendations of Oregon Task Force on Land Use Planning; creating new provisions; amending ORS 197.010, 197.040, 197.230, 197.628, 197.652, 197.654, 197.656 and 197.747; appropriating money; and declaring an emergency.

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

SECTION 1. ORS 197.010 is amended to read:

197.010. The Legislative Assembly declares that:

(1) In order to assure the highest possible level of livability in Oregon, it is necessary to provide for properly prepared and coordinated comprehensive plans for cities and counties, regional areas and the state as a whole. These comprehensive plans:

(a) Must be adopted by the appropriate governing body at the local and state levels;

(b) Are expressions of public policy in the form of policy statements, generalized maps and standards and guidelines;

(c) Shall be the basis for more specific rules and land use regulations which implement the policies expressed through the comprehensive plans;

(d) Shall be prepared to assure that all public actions are consistent and coordinated with the policies expressed through the comprehensive plans; and

(e) Shall be regularly reviewed and, if necessary, amended to keep them consistent with the changing needs and desires of the public they are designed to serve.

(2)(a) The overarching principles guiding the land use program in the State of Oregon are to:

(A) Provide a healthy environment;

(B) Sustain a prosperous economy;

(C) Ensure a desirable quality of life; and

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

1 **(D) Provide fairness and equity to all Oregonians.**

2 **(b) The overarching principles in paragraph (a) of this subsection provide guidance to a**
 3 **public body, as defined in ORS 174.109, that adopts or interprets goals, comprehensive plans**
 4 **and land use regulations implementing the plans, or administrative rules implementing a**
 5 **provision of ORS chapter 195, 196, 197, 215 or 227.**

6 [(2)] (3) The equitable balance between state and local government interests can best be
 7 achieved by resolution of conflicts using alternative dispute resolution techniques such as mediation,
 8 collaborative planning and arbitration. Such dispute resolution techniques are particularly suitable
 9 for conflicts arising over periodic review, comprehensive plan and land use regulations, amendments,
 10 enforcement issues and local interpretation of state land use policy.

11 **SECTION 2.** ORS 197.040 is amended to read:

12 197.040. (1) The Land Conservation and Development Commission shall:

13 (a) Direct the performance by the Director of the Department of Land Conservation and Devel-
 14 opment and the director's staff of their functions under ORS chapters 195, 196 and 197.

15 (b) In accordance with the provisions of ORS chapter 183, adopt rules that it considers neces-
 16 sary to carry out ORS chapters 195, 196 and 197. Except as provided in subsection (3) of this section,
 17 in designing its administrative requirements, the commission shall:

18 (A) Allow for the diverse administrative and planning capabilities of local governments;

19 **(B) Consider the variation in conditions and needs in different regions of the state;**

20 [(B)] (C) Assess what economic and property interests will be, or are likely to be, affected by
 21 the proposed rule;

22 [(C)] (D) Assess the likely degree of economic impact on identified property and economic in-
 23 terests; and

24 [(D)] (E) Assess whether alternative actions are available that would achieve the underlying
 25 lawful governmental objective and would have a lesser economic impact.

26 (c)(A) Adopt by rule in accordance with ORS chapter 183 or by goal under ORS chapters 195,
 27 196 and 197 any statewide land use policies that it considers necessary to carry out ORS chapters
 28 195, 196 and 197.

29 (B) Adopt by rule in accordance with ORS chapter 183 any procedures necessary to carry out
 30 ORS 215.402 (4)(b) and 227.160 (2)(b).

31 (C) Review decisions of the Land Use Board of Appeals and land use decisions of the Court of
 32 Appeals and the Supreme Court within 120 days of the date the decisions are issued to determine
 33 if goal or rule amendments are necessary.

34 (d) Cooperate with the appropriate agencies of the United States, this state and its political
 35 subdivisions, any other state, any interstate agency, any person or groups of persons with respect
 36 to land conservation and development.

37 (e) Appoint advisory committees to aid it in carrying out ORS chapters 195, 196 and 197 and
 38 provide technical and other assistance, as it considers necessary, to each such committee.

39 (2) Pursuant to ORS chapters 195, 196 and 197, the commission shall:

40 (a) Adopt, amend and revise goals consistent with regional, county and city concerns;

41 (b) Prepare, collect, provide or cause to be prepared, collected or provided land use inventories;

42 (c) Prepare statewide planning guidelines;

43 (d) Review comprehensive plans for compliance with goals;

44 (e) Coordinate planning efforts of state agencies to assure compliance with goals and compat-
 45 ibility with city and county comprehensive plans;

1 (f) Insure widespread citizen involvement and input in all phases of the process;

2 (g) Review and recommend to the Legislative Assembly the designation of areas of critical state
3 concern;

4 (h) Report periodically to the Legislative Assembly and to the committee; and

5 (i) Perform other duties required by law.

6 (3) The requirements of subsection (1)(b) of this section shall not be interpreted as requiring an
7 assessment for each lot or parcel that could be affected by the proposed rule.

8 **SECTION 3.** ORS 197.230 is amended to read:

9 197.230. (1) In preparing, adopting and amending goals and guidelines, the Department of Land
10 Conservation and Development and the Land Conservation and Development Commission shall:

11 (a) Assess:

12 (A) What economic and property interests will be, or are likely to be, affected by the proposed
13 goal or guideline;

14 (B) The likely degree of economic impact on identified property and economic interests; and

15 (C) Whether alternative actions are available that would achieve the underlying lawful govern-
16 mental objective and would have a lesser economic impact.

17 (b) Consider the existing comprehensive plans of local governments and the plans and programs
18 affecting land use of state agencies and special districts in order to preserve functional and local
19 aspects of land conservation and development.

20 (c) Give consideration to the following areas and activities:

21 (A) Lands adjacent to freeway interchanges;

22 (B) Estuarine areas;

23 (C) Tide, marsh and wetland areas;

24 (D) Lakes and lakeshore areas;

25 (E) Wilderness, recreational and outstanding scenic areas;

26 (F) Beaches, dunes, coastal headlands and related areas;

27 (G) Wild and scenic rivers and related lands;

28 (H) Floodplains and areas of geologic hazard;

29 (I) Unique wildlife habitats; and

30 (J) Agricultural land.

31 (d) Make a finding of statewide need for the adoption of any new goal or the amendment of any
32 existing goal.

33 (e) Design goals to:

34 (A) Allow a reasonable degree of flexibility in the application of goals by state agencies, cities,
35 counties and special districts;

36 **(B) Provide a healthy environment;**

37 **(C) Sustain a prosperous economy;**

38 **(D) Ensure a desirable quality of life; and**

39 **(E) Provide fairness and equity to all Oregonians.**

40 (2) Goals shall not be land management regulations for specified geographic areas established
41 through designation of an area of critical state concern under ORS 197.405.

42 (3) The requirements of subsection (1)(a) of this section shall not be interpreted as requiring an
43 assessment for each lot or parcel that could be affected by the proposed rule.

44 (4) The commission may exempt cities with a population less than 10,000, or those areas of a
45 county inside an urban growth boundary that contain a population less than 10,000, from all or any

1 part of land use planning goals, guidelines and administrative rules that relate to transportation
 2 planning.

3 **SECTION 4.** ORS 197.628 is amended to read:

4 197.628. (1) It is the policy of the State of Oregon to require the periodic review of comprehen-
 5 sive plans and land use regulations in order to respond to changes in local, regional and state con-
 6 ditions to ensure that the plans and regulations remain in compliance with the statewide planning
 7 goals adopted pursuant to ORS 197.230, and to ensure that the plans and regulations make adequate
 8 provision for economic development, needed housing, transportation, public facilities and services
 9 and urbanization.

10 (2) The Land Conservation and Development Commission shall concentrate periodic review as-
 11 sistance to local governments on:

12 (a) Achieving compliance with those statewide land use planning laws and goals that address
 13 economic development, needed housing, transportation, public facilities and services and
 14 urbanization; **and**

15 (b) **Reviewing and amending designations of farmlands, forestlands and other rural lands**
 16 **under section 7 of this 2009 Act if the review and amendment are conducted on a regional**
 17 **basis by at least two counties and the cities in the region.**

18 (3) The following conditions indicate the need for periodic review of comprehensive plans and
 19 land use regulations:

20 (a) There has been a substantial change in circumstances including but not limited to the con-
 21 ditions, findings or assumptions upon which the comprehensive plan or land use regulations were
 22 based, so that the comprehensive plan or land use regulations do not comply with the statewide
 23 planning goals relating to economic development, needed housing, transportation, public facilities
 24 and services and urbanization;

25 (b) Decisions implementing acknowledged comprehensive plan and land use regulations are in-
 26 consistent with the goals relating to economic development, needed housing, transportation, public
 27 facilities and services and urbanization;

28 (c) There are issues of regional or statewide significance, intergovernmental coordination or
 29 state agency plans or programs affecting land use which must be addressed in order to bring com-
 30 prehensive plans and land use regulations into compliance with the goals relating to economic de-
 31 velopment, needed housing, transportation, public facilities and services and urbanization; or

32 (d) The local government, commission or Department of Land Conservation and Development
 33 determines that the existing comprehensive plan and land use regulations are not achieving the
 34 statewide planning goals relating to economic development, needed housing, transportation, public
 35 facilities and services and urbanization.

36 **SECTION 5.** Sections 6 to 8 of this 2009 Act are added to and made a part of ORS chapter
 37 **195.**

38 **SECTION 6.** (1) **Two or more counties that constitute a region in which farmlands,**
 39 **forestlands and farm and forest practices are similar may petition the Land Conservation**
 40 **and Development Commission to establish regional definitions of the terms “agricultural**
 41 **land” or “forest land” for purposes of the goals.**

42 (2) **If the commission accepts the petition, the commission shall:**

43 (a) **Identify the region to which the definitions apply, taking into consideration:**

44 (A) **The content of the petition;**

45 (B) **The need to address similar and related lands as one region;**

1 (C) The need to address similar and related farm or forest practices and products in a
 2 region in a consistent manner; and

3 (D) The need to have a limited number of regional definitions in the state.

4 (b) Shall coordinate with the State Department of Agriculture, the State Forestry De-
 5 partment and all local governments in the affected region.

6 (3) The commission is not subject to ORS 197.235 (1)(a) for the purpose of considering
 7 whether to establish regional definitions under sections 6 to 8 of this 2009 Act. However, the
 8 commission shall hold at least one public hearing in each county in which the regional defi-
 9 nitions would apply.

10 (4) The commission shall base regional definitions established under sections 6 to 8 of this
 11 2009 Act on the characteristics of land and farm or forest practices in the region and the
 12 consideration of factors including, but not limited to:

13 (a) ORS 215.243 and 215.700;

14 (b) Soil capability and suitability for farming or forestry;

15 (c) The long-term viability of current and potential future farm or forest operations on
 16 the land;

17 (d) The importance of the land to farm or forest operations on adjacent and nearby lands;

18 (e) The availability of water needed to sustain current or anticipated farm operations on
 19 the land;

20 (f) The land use pattern on the land and on adjacent and nearby lands, including the lo-
 21 cation of the property in relation to adjacent and nearby nonfarm and nonforest uses and the
 22 existence of buffers between farm or forest operations and nonfarm or nonforest uses;

23 (g) The farm or forest land use pattern, including parcelization, tenure and ownership
 24 patterns of the land and nearby lands;

25 (h) The sufficiency and stability of the farm or forest infrastructure in the area; and

26 (i) The importance of farmlands and forestlands as a means to sequester carbon and as
 27 a means of avoiding or minimizing the adverse effects of climate change.

28 **SECTION 7.** (1) If the Land Conservation and Development Commission establishes re-
 29 gional definitions for a region under sections 6 to 8 of this 2009 Act, a county in the region
 30 may elect to:

31 (a) Review and amend its comprehensive plan and zoning map designations for farmlands
 32 or forestlands; and

33 (b) Redesignate as other rural lands those farmlands and forestlands that do not fit in
 34 the regional definition of “agricultural land” or “forest land.”

35 (2) A county that elects to amend its comprehensive plan and zoning map designations
 36 under this section:

37 (a) Shall act through a legislative amendment of the comprehensive plan and zoning map
 38 designations.

39 (b) Shall submit the legislative amendment to the commission for review in the manner
 40 provided for periodic review under ORS 197.628 to 197.650.

41 (c) Shall, as part of the process of adopting the legislative amendment:

42 (A) Adopt, as a part of the comprehensive plan, a map that:

43 (i) Identifies the farmlands, forestlands and other rural lands under review that contain
 44 ecologically significant natural areas or resources;

45 (ii) Establishes a priority for protection from conflicting development; and

1 (iii) Determines which of the lands have the highest priority for protection from con-
2 flicting development.

3 (B) Establish appropriate limitations on the uses allowed on lands designated as other
4 rural lands in compliance with rules adopted by the commission under subsection (5) of this
5 section.

6 (d) Shall examine alternative, nonregulatory methods to protect lands that contain
7 ecologically significant natural resources or areas.

8 (3) In determining whether to acknowledge a comprehensive plan and zoning map desig-
9 nation proposed under sections 6 to 8 of this 2009 Act, the commission shall:

10 (a) Coordinate with the State Department of Agriculture, the State Forestry Department
11 and other local governments in the county.

12 (b) Consider the adequacy of the county's program for protecting ecologically significant
13 natural areas.

14 (4) The Department of Land Conservation and Development shall give preference in pro-
15 viding grant moneys, if any, that are available to counties that enter into a cooperative
16 agreement under ORS 195.025 with one or more adjacent counties in the region to review and
17 amend comprehensive plans and zoning map designations of farmlands or forestlands pursu-
18 ant to this section.

19 (5) If the commission adopts a regional definition under sections 6 to 8 of this 2009 Act,
20 the commission shall adopt regional rules concerning farmlands or forestlands, as appropri-
21 ate, and lands redesignated as other rural lands. The rules must be designed to achieve the
22 following outcomes:

23 (a) The amount, type, location and pattern of development on lands that are redesignated
24 as other rural lands:

25 (A) Must be rural in character and may not interfere with orderly and efficient develop-
26 ment of urban areas in the vicinity of the other rural lands;

27 (B) May not conflict with existing or reasonably foreseeable future farm or forest uses
28 or accepted farm or forest practices; and

29 (C) May not lead to significant adverse effects, as specified by the commission in rules,
30 including but not limited to adverse effects on:

31 (i) Water quality or the availability or cost of water supply;

32 (ii) Energy use;

33 (iii) State or local transportation facilities;

34 (iv) Fish or wildlife habitat or other ecologically significant lands;

35 (v) The risk of wildland fire or the cost of fire suppression;

36 (vi) The cost of public facilities or services; or

37 (vii) The fiscal health of a local government.

38 (b) Additional residential development that is authorized by the commission under this
39 section must, to the extent practicable, be clustered and located to minimize the effects on
40 farm and forest uses and to reduce the costs of public facilities and services.

41 **SECTION 8.** (1) The Land Conservation and Development Commission may adopt rules
42 implementing sections 6 to 8 of this 2009 Act.

43 (2) The rules:

44 (a) Must reflect the differing conditions in different regions of the state.

45 (b) May not contain new regulatory restrictions on the use of lands identified as con-

1 **taining ecologically significant natural resources or areas to protect those resources or**
 2 **areas.**

3 **(c) May provide criteria for designating the lands.**

4 **(d) May provide for the purchase, lease or transfer of development rights to protect the**
 5 **resources or areas.**

6 **SECTION 9.** ORS 197.652 is amended to read:

7 197.652. *[Programs of the collaborative regional problem-solving process described in ORS 197.654*
 8 *and 197.656 shall be established in counties or regions geographically distributed throughout the*
 9 *state.]*

10 **(1) At the request of a county and at least one other local government in a region, the**
 11 **Department of Land Conservation and Development, other state agencies, as defined in ORS**
 12 **171.133, metropolitan planning organizations and special districts may participate with the**
 13 **local governments in a collaborative regional problem-solving process.**

14 **(2) If requested to participate, the department:**

15 **(a) Shall convene the process and work to encourage regional efforts to resolve land use**
 16 **planning problems using the authorities described in ORS 197.654 and 197.658.**

17 **(b) May include representatives of an advisory committee on transportation established**
 18 **under ORS 367.822 in a regional effort under ORS 197.652 to 197.658.**

19 **SECTION 10.** ORS 197.654 is amended to read:

20 197.654. (1) *[Local governments and those special districts that provide urban services may enter*
 21 *into a collaborative regional problem-solving process. A collaborative regional problem-solving process*
 22 *is a planning process directed toward resolution of land use problems in a region. The process must*
 23 *offer an opportunity to participate with appropriate state agencies and all local governments within the*
 24 *region affected by the problems that are the subject of the problem-solving process.]* **Local govern-**
 25 **ments, state agencies as defined in ORS 171.133, metropolitan planning organizations and**
 26 **special districts may enter into a regional problem-solving agreement to resolve a regional**
 27 **land use problem. The agreement must include, as parties to the agreement, entities that**
 28 **are necessary to resolve each land use problem identified in the agreement, including the**
 29 **Department of Transportation if the agreement requires amendments to a comprehensive**
 30 **plan or land use regulations that will have a significant adverse effect on an existing or**
 31 **planned state transportation facility. The process must include:**

32 **(a) An opportunity for involvement by other stakeholders with an interest in the problem; and**

33 **(b) Efforts among the collaborators to agree on goals, objectives and measures of success for**
 34 **steps undertaken to implement the process as set forth in ORS 197.656.**

35 *[(2) As used in ORS 197.652 to 197.658, "region" means an area of one or more counties, together*
 36 *with the cities within the county, counties, or affected portion of the county.]*

37 **(2) A decision by a local government, state agency as defined in ORS 171.133, metropol-**
 38 **itan planning organization or special district to enter into an agreement under ORS 197.652**
 39 **to 197.658 is not a final land use decision. However, an agreement entered into under ORS**
 40 **197.652 to 197.658 does not become final and binding until:**

41 **(a) All local governments that are parties to the agreement have enacted the compre-**
 42 **hensive plan provisions or land use regulations set forth in the agreement; and**

43 **(b) The Land Conservation and Development Commission has approved the comprehen-**
 44 **sive plan provisions and land use regulations as provided under ORS 197.656.**

45 **(3) Comprehensive plan provisions and land use regulations made to implement an**

1 **agreement under ORS 197.652 to 197.658 take effect _____ days after the commission pro-**
 2 **vides notice to all parties to the agreement that the commission has approved all of the**
 3 **amendments to comprehensive plan provisions and land use regulations.**

4 **SECTION 11.** ORS 197.656 is amended to read:

5 197.656. (1) *[Upon invitation by the local governments in a region, the Land Conservation and*
 6 *Development Commission and other state agencies may participate with the local governments in a*
 7 *collaborative regional problem-solving process.]* **A local government that adopts comprehensive**
 8 **plan provisions or land use regulations to implement a regional problem-solving agreement**
 9 **entered into under ORS 197.652 to 197.658 shall submit the provision or regulation to the**
 10 **Land Conservation and Development Commission for review in the manner set forth in ORS**
 11 **197.628 to 197.650 for periodic review.**

12 (2) Following the procedures set forth in this subsection, the commission may *[acknowledge]*
 13 **approve** amendments to comprehensive plans and land use regulations, or new land use regulations,
 14 that do not fully comply with the **goals, or** rules of the commission that implement the statewide
 15 planning goals, without taking an exception, upon a determination that:

16 *[(a) The amendments or new provisions are based upon agreements reached by all local partic-*
 17 *ipants, the commission and other participating state agencies, in the collaborative regional problem-*
 18 *solving process;]*

19 *[(b) The regional problem-solving process has included agreement among the participants on:]*

20 (a) **The amendments to comprehensive plans or land use regulations, or new compre-**
 21 **hensive plan provisions or land use regulations, conform on the whole with the purposes of**
 22 **the goals and any failure to meet individual goal requirements is technical or minor in na-**
 23 **ture; and**

24 (b) **The amendments to comprehensive plans or land use regulations, or new compre-**
 25 **hensive plan provisions or land use regulations, include:**

26 (A) Regional goals for resolution of each regional problem that is the subject of the *[process]*
 27 **agreement;**

28 (B) *[Optional]* Techniques to achieve the **regional** goals *[for each regional problem that is the*
 29 *subject of the process];*

30 (C) Measurable indicators of performance **and a system for monitoring progress** toward
 31 achievement of the **regional** goals *[for each regional problem that is the subject of the process];*

32 (D) *[A system of]* Incentives and disincentives to encourage successful implementation of the
 33 techniques chosen by the participants to achieve the **regional** goals;

34 (E) *[A system for monitoring progress toward achievement of the goals]* **If the regional goals**
 35 **involve the management of an urban growth boundary, tools to coordinate the planning and**
 36 **provision of water, sewer and transportation facilities in the region; and**

37 (F) A process for correction of the techniques if monitoring indicates that the techniques are
 38 not achieving the **regional** goals. *[; and]*

39 *[(c) The agreement reached by regional problem-solving process participants and the implementing*
 40 *plan amendments and land use regulations conform, on the whole, with the purposes of the statewide*
 41 *planning goals.]*

42 (3) *A local government that amends an acknowledged comprehensive plan or land use regulation*
 43 *or adopts a new land use regulation in order to implement an agreement reached in a regional*
 44 *problem-solving process shall submit the amendment or new regulation to the commission in the manner*
 45 *set forth in ORS 197.628 to 197.650 for periodic review or set forth in ORS 197.251 for acknowledg-*

1 *ment.]*

2 [(4) *The commission shall have exclusive jurisdiction for review of amendments or new regulations*
 3 *described in subsection (3) of this section. A participant or stakeholder in the collaborative regional*
 4 *problem-solving process shall not raise an issue before the commission on review that was not raised*
 5 *at the local level.]*

6 **(3) The commission:**

7 **(a) May adopt rules to establish additional procedure and substantive requirements for**
 8 **review and approval of an agreement and comprehensive plan provisions and land use regu-**
 9 **lations adopted under ORS 197.652 to 197.658.**

10 **(b) Has exclusive jurisdiction for review of amendments to comprehensive plans or land**
 11 **use regulations, or new comprehensive plan provisions or land use regulations, adopted by a**
 12 **local government under ORS 197.652 to 197.658. A party to the agreement and a person who**
 13 **participated in the proceedings leading to the adoption of the comprehensive plan provisions**
 14 **or land use regulations may not raise an issue on review before the commission that was**
 15 **not raised in the regional problem-solving process.**

16 [(5)] (4) If the commission denies [*an amendment or new regulation*] **amendments to compre-**
 17 **hensive plans or land use regulations, or new comprehensive plan provisions or land use**
 18 **regulations**, submitted pursuant to subsection [(3)] (1) of this section, the commission shall issue a
 19 written statement describing the reasons for the denial and suggesting alternative methods for ac-
 20 complishing the goals on a timely basis.

21 [(6)] (5) If, in order to resolve regional land use problems, [*the participants*] **a local government**
 22 in a collaborative regional problem-solving process [*decide*] **decides** to devote agricultural land or
 23 forestland, as defined in the statewide planning goals, to uses not authorized by those goals, the
 24 [*participants*] **local government** shall choose land that is not part of the region’s commercial agri-
 25 cultural or forestland base, or take an exception to those goals pursuant to ORS 197.732. To identify
 26 land that is not part of the region’s commercial agricultural or forestland base, the [*participants*]
 27 **local government** shall consider the recommendation of a committee of persons appointed by the
 28 affected county, with expertise in appropriate fields, including but not limited to farmers, ranchers,
 29 foresters and soils scientists and representatives of the State Department of Agriculture, the State
 30 Department of Forestry and the Department of Land Conservation and Development.

31 [(7)] (6) The Governor [*shall*] **may** require all appropriate state agencies to participate in the
 32 collaborative regional problem-solving process.

33 **SECTION 12.** ORS 197.747 is amended to read:

34 197.747. For the purposes of acknowledgment under ORS 197.251, board review under ORS
 35 197.805 to 197.855, **Land Conservation and Development Commission review of a proposed re-**
 36 **gional problem solving agreement under ORS 197.652 to 197.658** and periodic review under ORS
 37 197.628 to 197.650, “compliance with the goals” means the comprehensive plan and regulations, on
 38 the whole, conform with the purposes of the goals and any failure to meet individual goal require-
 39 ments is technical or minor in nature.

40 **SECTION 13.** Section 14 of this 2009 Act is added to and made a part of ORS 197.652 to
 41 **197.658.**

42 **SECTION 14.** (1) **A local government that is a party to a regional problem-solving agree-**
 43 **ment under ORS 197.652 to 197.658 that involves nonconforming lots or parcels, as defined in**
 44 **ORS 92.010, on rural lands may authorize the transfer of residential development rights from**
 45 **the nonconforming lots or parcels and may authorize corresponding additional development**

1 rights on receiving lots or parcels that are within or adjacent to an urban growth boundary
2 without regard to whether the receiving lots or parcels are under the jurisdiction of the
3 same local government as the nonconforming lots or parcels.

4 (2) The Land Conservation and Development Commission shall amend the statewide land
5 use planning goals or rules implementing the goals to implement this section.

6 **SECTION 15.** In areas of the state that are growing rapidly, state agencies, as defined in
7 ORS 171.133, including but not limited to the Department of Transportation, and local gov-
8 ernments shall prioritize funding for infrastructure to:

9 (1) Support infill or redevelopment of existing urban areas to attain the density necessary
10 to support alternative modes of transportation; and

11 (2) Be consistent with the principles set forth in ORS 197.010 (2)(a).

12 **SECTION 16.** Section 17 of this 2009 Act is added to and made a part of ORS 222.111 to
13 222.180.

14 **SECTION 17.** If a city brings territory within its urban growth boundary, the city shall
15 annex the territory to the city.

16 **SECTION 18.** The Land Conservation and Development Commission shall appoint a work
17 group to conduct a policy-neutral review and audit of ORS chapters 195, 196, 197, 215 and 227,
18 the statewide land use planning goals and the rules of the commission implementing the
19 goals. The commission shall make recommendations, based on the review and audit, of major
20 policies and key procedures that are most appropriate for enactment by law and other poli-
21 cies and procedures that are most appropriate for adoption by statewide land use planning
22 goals to allow for greater variation between regions of the state over time and to reduce
23 complexity.

24 **SECTION 19.** (1) The Land Conservation and Development Commission and other boards,
25 commissions and departments, including but not limited to the Oregon Transportation
26 Commission, the State Board of Agriculture, the State Board of Forestry, the Housing and
27 Community Services Department, the Water Resources Commission and the Oregon Eco-
28 nomic and Community Development Commission shall prepare an integrated state strategic
29 plan that is integrated with the strategic plan prepared pursuant to ORS 284.615 and that
30 includes, but is not limited to:

31 (a) Identification of emerging economic, environmental, social and population trends
32 likely to affect the state;

33 (b) A description of desirable future land use, transportation and economic development
34 outcomes that are consistent with the principles in ORS 197.010 (2)(a) and that can be
35 achieved through coordinated action and investment; and

36 (c) Identification of strategic opportunities and needs for investment that would increase
37 the likelihood of achieving the outcomes described in paragraph (b) of this subsection.

38 (2) The strategic plan required by this section must be prepared in consultation with local
39 governments and representatives of business and citizen interests and updated prior to each
40 regular session of the Legislative Assembly.

41 (3) The boards, commissions and departments listed in subsection (1) of this section shall
42 meet annually to review progress toward achieving the strategic plan and to coordinate
43 actions for the following year.

44 **SECTION 20.** (1) The Oregon Progress Board, in cooperation with the Department of
45 Land Conservation and Development, shall review and revise the goals for Oregon's progress

1 and benchmarks that relate to the land use system during or before the next review required
2 by ORS 284.628.

3 (2) The benchmarks must include an integrated data gathering, tracking and reporting
4 system that provides for at least one performance measure for each statewide land use
5 planning goal and for an ongoing comparative analysis of how the land use system is per-
6 forming relative to the land use systems of other states and the costs and benefits of the
7 system for citizens in different regions.

8 (3) The Oregon Progress Board and the Department of Land Conservation and Develop-
9 ment shall design the data gathering, tracking and reporting system to provide reasonably
10 accurate information concerning the performance of the land use system while minimizing
11 costs to local governments and state agencies, as defined in ORS 171.133. The board and the
12 department shall convene a work group to advise the board and the department concerning
13 the design of the system, data availability, collection and reporting that includes, but is not
14 limited to, representatives of:

15 (a) Local government;

16 (b) The Building Codes Division of the Department of Consumer and Business Services;

17 (c) The Department of State Lands;

18 (d) The State Department of Agriculture;

19 (e) The State Forestry Department;

20 (f) The Department of Transportation; and

21 (g) The Oregon University System.

22 (4) The State Forestry Department, the State Department of Agriculture and the De-
23 partment of Transportation shall cooperate in the development and implementation of the
24 reporting system.

25 SECTION 21. There is appropriated to the Department of Land Conservation and Devel-
26 opment, for the biennium beginning July 1, 2009, out of the General Fund, the amount of
27 \$_____ for the purpose of carrying out the provisions of sections 6 to 8, 14, 15, 18, 19 and
28 20 of this 2009 Act and the amendments to ORS 197.010, 197.040, 197.230, 197.628, 197.652,
29 197.654, 197.656 and 197.747 by sections 1, 2, 3, 4, 9, 10, 11 and 12 of this 2009 Act.

30 SECTION 22. This 2009 Act being necessary for the immediate preservation of the public
31 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect
32 on its passage.

33 _____