

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

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Action: Do Pass  
Vote: 4 - 0 - 1  
Yeas: Hass, Prozanski, Thomsen, Dingfelder  
Nays: 0  
Exc.: Olsen  
Prepared By: Beth Patrino, Administrator  
Meeting Dates: 5/5

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**WHAT THE MEASURE DOES:** Modifies Oregon Transfer of Development Right Pilot Program, including: rules governing maximum ratio for sending areas may not exceed one transferable development right to one severed development interest if receiving area is outside unincorporated community; may not exceed two transferable development rights to one severed development interest if receiving area is in unincorporated community; and must be consistent with plans for public facilities and services in receiving area. Local government participating in pilot project must select receiving area based on priority list, including addition to third priority of lands in a resort community, or rural service center, that contains at least 100 dwellings, and new fourth priority of exception areas adjacent to urban unincorporated communities or rural communities under certain conditions. Sets minimum residential density of development allowed in receiving areas intended for residential development for second, third and fourth priority lands. Sets dwelling density on land planned for residential use when urban growth boundary expanded to include adjacent lands in receiving area. Authorizes local governments to enter into intergovernmental agreement that provides sharing between local governments of prospective tax revenues derived from new development in receiving area resulting from transfer of development rights from one jurisdiction to another. Declares emergency, effective upon passage.

**ISSUES DISCUSSED:**

- Pilot program has not been used
- Changes are intended to provide improved incentives
- No additional rulemaking is required

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Transfer of development rights programs have been used by many units of government around the country to transfer development from places where communities are trying to limit development to other places where communities are encouraging development. In 2009, House Bill 2228 established the Oregon Transfer of Development Rights Pilot Program and authorized the Land Conservation and Development Commission to adopt rules establishing a process for selecting up to three pilot projects. To date, the program has not been used. House Bill 2132 would authorize additional “receiving areas” for development rights and allow for higher transfer ratios.