

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 0 - 1
Yeas:	Cameron, Davis, Frederick, Holvey, Unger, Clem
Nays:	0
Exc.:	Thatcher
Prepared By:	Lynn Beaton, Administrator
Meeting Dates:	3/21, 4/11

WHAT THE MEASURE DOES: Authorizes public entity to rezone land within urban growth boundary (UGB) to zoning classification that allows industrial uses without being required to pay landowner compensation if industrial classification reduces fair market value of property. Exempts from entitlement to just compensation land planned and rezoned to industrial zoning classification that is either within UGB or is planned and rezoned for inclusion within UGB.

ISSUES DISCUSSED:

- Current potential “chilling effect” on local governments
- Concerns of potentially denying landowners compensation

EFFECT OF COMMITTEE AMENDMENT: Clarifies that lands planned and rezoned to industrial zoning classifications must already be within UGB or be rezoned for inclusion within UGB before restriction from entitlement to compensation applies.

BACKGROUND: Ballot Measure 37 (2004) and Ballot Measure 49 (2007) provided a process for property owners to be paid compensation for reduced property value resulting from a state or local land use regulation that took effect after the claimant took ownership of the property. ORS 195.305 lists the regulatory restrictions, if such restrictions reduce the fair market value of a property, that can entitle a property owner to just compensation. ORS 195.305 also specifies which land use regulations do not entitle a landowner to compensation.

House Bill 2839 A authorizes local governments to rezone land within a UGB to a zoning classification that allows industrial uses without having to pay the landowner compensation if the industrial classification results in reduced fair market value of the property. Many Oregon communities are significantly oversupplied with residential housing, particularly on the boundaries of UGBs, where most vacant land is located. When lands inside a UGB are vacant but zoned for residential use, communities look further to the edge of the UGB for industrial lands, potentially losing investment in lands already inside the UGB and leading to pressure to develop resource lands outside of the UGB. House Bill 2839 A provides an incentive for rezoning this unutilized land, potentially allowing more productive uses of the land.

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