

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3524 – B**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Requires state, when selling or disposing of real property, to grant right of first refusal to developers of affordable housing.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Department of Forestry, Department of State Lands, Higher Education Coordinating Commission, Oregon Department of Fish and Wildlife (ODFW), Oregon Department of Transportation (ODOT), Oregon Parks and Recreation Department (OPRD)

Summary of Expenditure Impact:**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.

Analysis:

House Bill 3524 requires that state property be offered for sale to a local government unit, or a nonprofit organization or Indian tribe that will develop it for affordable housing prior to offering the property for sale to the public. The bill also requires that agencies declare property to be surplus and offer it for sale, if it has not been used for a public purpose in five years. The bill exempts the Oregon Department of Transportation and the Department of State Lands from this five-year requirement.

Passage of this bill could have a potential fiscal impact on the Oregon Parks and Recreation Department (OPRD), but at this time, that impact cannot be quantified. The bill's potential impact on OPRD depends on how "public purposes" and "public use" are interpreted. The bill requires that agencies declare property to be surplus and offer it for sale, if it has not been used for a public purpose in five years. OPRD has several undeveloped properties within the locations specified in the bill. Potential scenarios include areas where OPRD is building a park through purchase from willing sellers. It could take OPRD years, or even decades, to assemble all the land needed for a viable park operation. OPRD holds land for future restoration, and leases land for agricultural purposes. OPRD also holds land as wildlife habitat, open space, view shed, buffer to developed park lands, and aquifer recharge. If these scenarios are considered public purposes then OPRD's undeveloped properties would not be subject to the requirement to dispose of those lands. However, the bill does not provide guidance on interpretation. Therefore, OPRD could experience challenges to whether these undeveloped properties are for "public purposes" or "public use." If challenged, OPRD would need to devote resources to address these challenges, and the fiscal impact would include staff time, Department of Justice costs, and potentially OPRD Commissioners' time.

This bill is anticipated to have minimal impact or no impact on the Department of Administrative Services (DAS), the Department of Forestry, the Higher Education Coordinating Commission (HECC), the Oregon Department of Fish and Wildlife (ODFW), the Oregon Department of Transportation (ODOT), and the Department of State Lands.