

**A-Engrossed**  
**House Bill 3524**

Ordered by the House April 27  
Including House Amendments dated April 27

Sponsored by Representatives REARDON, PARRISH

**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.

Requires state, when selling or disposing of real property, to grant right of first refusal to developers of affordable housing. Requires state to offer certain unused real property for sale.

**A BILL FOR AN ACT**

1  
2 Relating to disposition of state property for affordable housing; amending ORS 270.005, 270.100 and  
3 270.110.

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

5 **SECTION 1.** ORS 270.100 is amended to read:

6 270.100. (1)(a) Before offering for sale any real property or equitable interest therein owned by  
7 the state, the state agency acting for the state in such transaction shall report its intent of sale or  
8 transfer to the Oregon Department of Administrative Services. The department, or the agency spe-  
9 cifically designated by the department, shall notify other state agencies authorized to own real  
10 property of the intended sale or transfer to determine whether acquisition of the real property or  
11 interest therein would be advantageous to another state agency.

12 (b) The department shall give [*political subdivisions, as defined in ORS 271.005,*] the first op-  
13 portunity after other state agencies to acquire, purchase, exchange or lease real property to be sold  
14 or disposed of by the State of Oregon[.] to:

15 **(A) Nonprofit organizations that will develop housing on the real property that will be**  
16 **occupied by families and individuals with an income no greater than 80 percent of the median**  
17 **family income for the county in which the real property is located; and**

18 **(B) Political subdivisions, as defined in ORS 271.005.** The state agency responsible for selling  
19 or transferring the property may require at the time of the sale or transfer that any state real  
20 property sold or transferred to a political subdivision[, *as defined in ORS 271.005,*] shall be for use  
21 for a public purpose or benefit, and not be for resale to a private purchaser.

22 (c) If property is not disposed of under paragraph (a) or (b) of this subsection, in accordance  
23 with rules adopted by the department, the state agency desiring to sell or transfer the property shall  
24 cause it to be appraised by one or more competent and experienced appraisers. Except as provided  
25 in ORS 273.825, if such property has an appraised value exceeding \$5,000 it shall not be sold to any  
26 private person except after notice calling for such proposals as set forth in ORS 270.130.

27 (d) The department shall adopt rules to carry out the provisions of this section.

28 (2) Before acquisition of any real property or interest therein by any state agency, except for

**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 highway right of way acquired by the Department of Transportation and park properties acquired  
2 by the State Parks and Recreation Department and property within the approved projected campus  
3 boundaries for public universities of the Oregon University System or public universities with gov-  
4 erning boards listed in ORS 352.054, the state agency shall report its intent of acquisition to the  
5 Oregon Department of Administrative Services. The department shall notify other state agencies  
6 owning land of the intended acquisition to determine whether another state agency desires to sell  
7 or transfer property *[which]* **that** would meet the needs of the purchasing agency. In accordance  
8 with rules adopted by the Oregon Department of Administrative Services, if no other state agency  
9 desires to sell or transfer property *[which]* **that** would meet the needs of the agency, the agency  
10 may acquire the real property or interest therein, consistent with applicable provisions of law.

11 (3) Before any terminal disposition of real property or an interest in real property, the state  
12 agency acting for the state in the transaction must secure approval of the transaction from the  
13 Oregon Department of Administrative Services.

14 (4) Subsection (3) of this section does not apply to terminal disposition of the following real  
15 property:

16 (a) Property controlled by the State Department of Fish and Wildlife;

17 (b) State forestlands controlled by the State Forestry Department;

18 (c) Property controlled by the Department of Transportation;

19 (d) Property controlled by the Department of State Lands;

20 (e) Property controlled by the Oregon University System or controlled by public universities  
21 with governing boards listed in ORS 352.054;

22 (f) Property controlled by the legislative or judicial branches of state government; and

23 (g) Property controlled by the State Parks and Recreation Department.

24 (5) Notwithstanding the provisions of subsection (4) of this section, prior approval by the Oregon  
25 Department of Administrative Services is required for the terminal disposition of public land for less  
26 than the fair market value of that land.

27 (6) The provisions of ORS 184.634, 270.005 to 270.015, 270.100 to 270.190, 273.416, 273.426 to  
28 273.436, 273.551 and 308A.709 (1) to (4) do not apply to:

29 (a) A home or farm acquired or sold by the Department of Veterans' Affairs under ORS 88.720,  
30 406.050, 407.135, 407.145, 407.375 and 407.377.

31 (b) Real property acquired or sold by the Housing and Community Services Department under  
32 the provisions of ORS 456.515 to 456.725 or ORS chapter 458.

33 **SECTION 2.** ORS 270.005 is amended to read:

34 270.005. For purposes of ORS 184.634, 270.005 to 270.015, 270.100 to 270.190, 273.416, 273.426 to  
35 273.436 and 273.551:

36 (1) "Department" means the Oregon Department of Administrative Services.

37 (2) "Improvements" means any and all structures on or attachments to state-owned real prop-  
38 erty, but excluding public improvements as defined in ORS 279A.010.

39 (3) "Real property" means all real property together with any and all improvements thereon.

40 (4) **"Rural community" means an unincorporated community that consists primarily of**  
41 **permanent residential dwellings but also has at least two other land uses that provide com-**  
42 **mercial, industrial or public uses to the community, the surrounding rural area or persons**  
43 **traveling through the area.**

44 ~~[(4)]~~ (5) "Surplus real property" means all state-owned real property and improvements surplus  
45 to agency and state need.

1       **(6) “Urban growth boundary” has the meaning given that term in ORS 195.060.**

2       **(7) “Urban reserve” means any land designated as an urban reserve under ORS 195.145.**

3       **(8) “Urban unincorporated community” has the meaning given that term in ORS 197.015.**

4       **SECTION 3.** ORS 270.110 is amended to read:

5       270.110. (1) Except as provided in subsection (2) of this section:[,]

6       (a) Whenever the state or any agency thereof possesses or controls real property not needed for  
7 public use, or whenever the public interest may be furthered, the state or its agency may sell, ex-  
8 change, convey or lease for any period not exceeding 99 years all or any part of its interest in the  
9 property to or with the state or any political subdivision of the state or the United States or any  
10 agency thereof or private individual or corporation. Except where the state is exchanging real  
11 property, the consideration for the transfer or lease may be cash or real property, or both.

12       **(b) The state or any agency thereof shall offer for sale any real property in its possession**  
13 **or control if the property:**

14       **(A) Is within the urban growth boundary of any city, is within an urban reserve, is within**  
15 **a rural community, or is within an urban unincorporated community;**

16       **(B) Is not being used for public purposes; and**

17       **(C) Is not needed for public use within five years of the last date the property was used**  
18 **for public purposes.**

19       **(c) Paragraph (b) of this subsection does not apply to the Department of Transportation.**

20       **(d) Nothing in this subsection limits the authority of the state to relinquish title to**  
21 **property pursuant to ORS 458.445.**

22       (2) If the ownership, right or title of the state to any real property set apart by deed, will or  
23 otherwise for a burial ground or cemetery, or for the purpose of interring the remains of deceased  
24 persons, is limited or qualified or the use of such real property is restricted, whether by dedication  
25 or otherwise, the state or its agency may, after first declaring by resolution that such real property  
26 is not needed for public use, or that the sale, exchange, conveyance or lease thereof will further the  
27 public interest, file a complaint in the circuit court for the county in which such real property is  
28 located against all persons claiming any right, title or interest in such real property, whether the  
29 interest be contingent, conditional or otherwise, for authority to sell, exchange, convey or lease all  
30 or any part of such real property. The resolution is prima facie evidence that such real property is  
31 not needed for public use, or that the sale, exchange, conveyance or lease will further the public  
32 interest. The action shall be commenced and prosecuted to final determination in the same manner  
33 as an action not triable by right to a jury. The complaint shall contain a description of such real  
34 property, a statement of the nature of the restrictions, qualifications or limitations, and a statement  
35 that the defendants claim some interest therein. The court shall make such judgment as it shall  
36 deem proper, taking into consideration the limitations, qualifications or restrictions, the resolution  
37 and all other matters pertinent thereto. Neither costs nor disbursements may be recovered against  
38 any defendant.

39       (3) The authority to lease property granted by this section includes authority to lease property  
40 not owned or controlled by the state at the time of entering into the lease. Such lease shall be  
41 conditioned upon the subsequent acquisition of the interest covered by the lease.

42       (4) Any lease of state real property exceeding five years must be approved in advance by the  
43 Oregon Department of Administrative Services, except for leases:

44       (a) Negotiated by the Oregon Department of Aviation;

45       (b) Of state forestlands;

1 (c) Of property controlled by the Department of State Lands, the Department of Transportation  
2 or a public university listed in ORS 352.002; or

3 (d) Of property controlled by the legislative or judicial branches of state government.

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