

FISCAL IMPACT OF PROPOSED LEGISLATION

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

Measure: HB 2456

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Meg Bushman-Reinhold
Reviewed by: John Borden, Matt Stayner
Date: 3/22/2017

Measure Description:

Permits tax exempt landowner to develop affordable housing units on rural residential land with county approval.

Government Unit(s) Affected:

Counties, Department of Land Conservation and Development, Department of Revenue(DOR)

Summary of Expenditure Impact:

Indeterminate

Analysis:

This bill requires counties to set up a process by which non-profit entities could develop affordable housing on rural lands. The bill creates an exception to land use laws and rules which would otherwise disallow such development. Qualifying landowners would be able to develop affordable housing on rural residential land owned or held by the qualifying landowner.

Although the development would be an exception to land use laws, each of the 36 counties would need to update their comprehensive plans, codes, and processes to implement the provisions of this bill. County planners estimate the costs for developing the application process and updating their codes would be between \$6,000 and \$50,000, per county. These would be one-time costs. The bill does not include a deadline for the required code updates. Counties could update their codes and comprehensive plans to comply with this bill as part of other scheduled code updates which would reduce costs.

It's unclear how many projects would be built and in which counties. The Association of Oregon Counties estimates enforcement costs of \$25,000 for any county with a project. Counties may charge fees for activities associated with the provisions of this bill which would reduce the fiscal impact.

Because the expenditures and fee revenues associated with implementing the provisions of this bill are contingent on a variety of unknowns, the fiscal impact on counties is indeterminate.

There is no fiscal impact to the Department of Revenue or to the Department of Land Conservation and Development.