

HB 2456 -2, -3 STAFF MEASURE SUMMARY

House Committee On Agriculture and Land Use

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Meeting Dates: 2/7, 4/9

WHAT THE MEASURE DOES:

Allows counties to rezone lands within the Eastern Oregon Border Economic Development Region (Border Region) from exclusive farm use (EFU) to residential use, provided that: (1) the lands have not been employed for farm use in the prior three years; (2) the lands are not high-value farmland or viable for reasonably obtaining profit through farm use; (3) rezoning will not force a significant change in accepted farm or forest practices on surrounding lands devoted to those uses; (4) lands using well water are not within a critical ground water area or within an area with restricted ground water withdrawals; and (5) the lands have not been assessed as open space, riparian habitat, wildlife habitat, or conservation easement for property tax purposes in the preceding 10 years. Continues any applicable farm use tax deferrals and valuations on properties in the region until they are redeveloped for sale or five years after rezoning. Applies to property tax years beginning on or after July 1, 2020. Entitles owner to income tax credit of up to \$5,000 on sale of new residential dwelling on rezoned property. Applies to tax years beginning on or after January 1, 2020, and before January 1, 2026. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Allows counties within the Border Region to establish a review board to review, and conduct at least one public hearing for, each petition filed to rezone EFU land to allow certain residential development. Requires that the review board provide a written opinion to the county, and specifies that opinions are not land use decisions and not subject to appeal. Establishes review board membership requirements and terms of service. Requires that a county establish a review board in order to rezone lands that are zoned for EFU in the Border Region. Limits residential zoning to only allow the development of one residential unit per lot or parcel of two acres or more. Establishes additional requirements for lands to be eligible for rezoning: the land cannot be predominantly composed of Class I, II, or III soils; the rezoning must comply with any other criteria adopted by the county; the approval would not result in a cumulative total of more than 200 acres rezoned by the county; and the rezoning has received a public hearing and a written opinion from a review board. Sunsets rezoning and review board provisions on January 2, 2030, and specifies that the sunset does not invalidate or provide a basis for challenging the rezoned lands. Adjusts the termination timing of any applicable farm use tax deferrals and valuations on properties in the Border Region to the earliest of: the July 1 following the issuance of an occupancy permit for a newly constructed dwelling; the July 1 following five years from the date of rezoning; or July 1, 2030. Establishes that these tax deferrals apply to property tax years beginning on or after July 1, 2020 and before July 1, 2031, and that the provisions sunset on January 2, 2032.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

-3 Allows counties within the Border Region to establish a review board to review, and conduct at least one public hearing for, each petition filed to rezone EFU land to allow certain residential development. Requires that the review board provide a written opinion to the county, and specifies that opinions are not land use decisions and not subject to appeal. Establishes review board membership requirements and terms of service. Requires that a

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county establish a review board in order to rezone lands that are zoned for EFU in the Border Region. Limits residential zoning to only allow the development of one residential unit per lot or parcel of two acres or more. Establishes additional requirements for lands to be eligible for rezoning: the land cannot be predominantly composed of Class I, II, or III soils; the property owner agrees as a condition of approval of the rezoning to sign and record in the count deed records an irrevocable deed restriction acknowledging the protected rights of farm, forest, and rangeland practices and prohibiting the owner and owner's successors from pursuing a cause of action or claim of relief alleging injury from any farming, forest, or rangeland practices for which no claim or action is allowed or is otherwise protected by law; the rezoning must comply with any other criteria adopted by the county; the approval would not result in a cumulative total of more than 200 acres rezoned by the county; and the rezoning has received a public hearing and a written opinion from a review board. Sunsets rezoning and review board provisions on January 2, 2030, and specifies that the sunset does not invalidate or provide a basis for challenging the rezoned lands. Adjusts the termination timing of any applicable farm use tax deferrals and valuations on properties in the Border Region to the earliest of: the July 1 following the issuance of an occupancy permit for a newly constructed dwelling; the July 1 following five years form the date of rezoning; or July 1, 2030. Establishes that these tax deferrals apply to property tax years beginning on or after July 1, 2020 and before July 1, 2031, and that the provisions sunset on January 2, 2032.

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BACKGROUND:

The Eastern Oregon Border Economic Development Region (Border Region) is defined by rule as the area within 20 miles of the Oregon border with the State of Idaho, that includes but is not limited to, the cities of Ontario, Vale, and Nyssa and surrounding areas. In 2017, the legislature created the Border Region designation and established the Eastern Oregon Border Economic Development Board (Board) to make recommendations to the Legislative Assembly on policies and strategies to promote workforce and economic growth (House Bill 2012). In addition, the Board was charged with identifying specific laws, rules, and regulations that place workforce or economic development efforts in the Border Region at a competitive disadvantage to similar efforts in the border region of Idaho. House Bill 2456 is a Board policy recommendation to help address a competitive disadvantage in workforce housing.

Under Statewide Planning Goal 3, counties are currently required to inventory farm land in their comprehensive plans and zone these lands for exclusive farm use (EFU). Counties are required to protect these lands from incompatible development by restricting conflicting land uses. EFU zoning and preferential farm value tax assessments for farm land were authorized by the legislature in 1961 due to concerns over loss of farm and forest land.

House Bill 2456 would: allow counties to rezone certain lands within the Eastern Oregon Border Economic Development Region from exclusive farm use to residential use, continue certain farm use tax deferrals, and establish an income tax credit for the seller of a new residential dwelling on rezoned property.