



Law Office of Mike Reeder
Oregon Land Use Law

May 7, 2019

Via Email

Senr.exhibits@oregonlegislature.gov

Senate Committee On Environment and Natural Resources
900 Court Street NE
Salem, Oregon 97301

Re: Opposition to House Bill 2225 A-Engrossed

Dear Chair Dembrow and Honorable Members of the Committee:

I represent Casey Jones, Jr. and his respective business entities Casey Jones Well Drilling Co., Inc. and C.J. Development Co. Mr. Jones asked that I write on his behalf in opposition to House Bill 2225 A-Engrossed.

This proposed legislation will wipe out his business and retirement investments. The proposed legislation, as currently drafted, is unnecessarily punitive, bad public policy, and will likely result in future Measure 49 and other regulatory takings claims against the State of Oregon.

Mr. Jones respectfully requests that the proposed legislation be amended to remove the proposed language that would be known as ORS 215.750(5)(h), which is proposed to read as follows:

“If the lot or parcel on which the dwelling will be sited was part of a tract on January 1, 2019, no dwelling existed on the tract on that date, and no dwelling exists or has been approved on another lot or parcel that was part of the tract.”

Mr. Jones ask that, short of scrapping the above-cited language, the bill at the very least be amended to push back the effective date for Clackamas, Jackson, Lane and Polk Counties to November 1, 2020. The rest of the listed counties’ effective dates could be pushed back a year accordingly. Pushing back the effective date would at least mitigate, to a certain extent, the catastrophic loss that would be imposed on Mr. Jones as well as many other landowners who have acted in good faith and within the current law. This would allow landowners sufficient time to submit land use applications for Template Dwellings prior to the effective

date of the law thereby allowing the laws in effect at the time of the application to vest. This would be a much fairer process and would reduce the risk and expense to the state.

Mr. Jones's business was established by his grandfather in 1947. Mr. Jones is a third-generation well driller and site development contractor in Oregon. His company currently has 15 employees and about 80 percent of his company's business is developing forest-zoned properties. His employees' jobs, his business and his retirement are all hanging in the balance with this proposed legislation. Mr. Jones has invested a considerable amount of resources over the course of many years in obtaining F-2 zoned property that has the ability to obtain F-2 Template Dwellings. He paid a premium for these parcels – not just for their timber potential, but he paid for the parcels at values that reflected the potential to develop with F-2 Template dwellings.

Should this proposed legislation remain unchanged, it will wipe out a significant investment for my client and for many other Oregonians who have relied in good faith on the current system. Not only would Mr. Jones lose potential profit, but much of his original investment would also be lost.

It should be well-understood that in Lane County specifically, the vast majority of the County is zoned F-1, Nonimpacted Forest and obtaining a new dwelling (Template, Large Tract, etc.) is essentially impossible. The number of F-2 Dwellings that can be obtained in Lane County is exceedingly small in comparison and the criteria to obtain such a dwelling is already strict. Further restricting the number of F-2 Template dwellings through this proposed legislation is not only unfair, but bad public policy.

The February 2, 2019 letter from Meriel Darzen of 1000 Friends of Oregon suggests that the current regulatory scheme results in “abuse of the statute.” This is simply not true. The F-2 Template Dwelling legislation from 1993 was a method to permit dwellings on parcels that qualified under the parcelization test and was a recognition that impacted forest properties should be able to have a forest dwelling in certain circumstances. The ability to “deed shuffle” is not a “loophole” and there is therefore, no need to close it.

Currently, Lane County Assessment & Taxation assesses vacant F-2 properties at a significantly higher rate than other forest properties when Lane County believes that the property would likely pass a template dwelling test. This proposed legislation would introduce significantly reduced values on many F-2 properties. This would be a significant loss in future tax revenue to Lane County and the state. The Staff Measure Summary to the Senate Committee On Environment and Natural Resources for the May 7th meeting states: “*Minimal fiscal impact; no revenue impact.*” That is patently not true.

In addition to loss of real property tax and income tax revenue (from the sale of such properties), the proposed legislation will also produce needless “regulatory takings” litigation and Measure 49 claims.

May 7, 2019
House Bill 2225 A-Engrossed
Testimony of Casey Jones, Jr.

For the reasons articulated above, please amend the proposed legislation to protect the state, the counties and Oregon landowners. Oregon landowners should not be punished in order to foreclose a legitimate method for establishing dwellings in appropriate locations that are already impacted forest lands.

Respectfully,

/s/Micheal M. Reeder

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