

**HB 2456 B STAFF MEASURE SUMMARY****Carrier:** Rep. Findley**House Committee On Revenue****Action Date:** 05/14/19**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)**Vote:** 7-0-0-0**Yeas:** 7 - Findley, Hernandez, Marsh, Nathanson, Reschke, Smith G, Smith Warner**Fiscal:** Has minimal fiscal impact**Revenue:** Has minimal revenue impact**Prepared By:** Kyle Easton, Economist**Meeting Dates:** 5/14**WHAT THE MEASURE DOES:**

Allows counties that have established a review board to rezone lands within the Eastern Oregon Border Economic Development Region (Border Region) from exclusive farm use (EFU) to allow the development of one residential unit per lot or parcel of two acres or more, per specified parameters. Specifies parameters. Limits county rezoned acreage to not more than a cumulative total of 200 acres. Allows counties within the Border Region to establish a four-member review board to examine each petition to rezone EFU land to allow certain residential development and to conduct at least one public hearing. Sunsets rezoning and review board provisions January 2, 2030, and specifies that the sunset does not invalidate or provide a basis to challenge rezoned lands. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- A6 amendment removes language in bill relating to property tax special assessment and creation of income tax credit
- Revenue policies removed from measure through A6 amendment.

**EFFECT OF AMENDMENT:**

Clarifies language and makes conforming changes. Removes language relating to continuation of property tax farm special assessment. Removes language creating an income tax credit on the sale of a new residential dwelling.

**BACKGROUND:**

In 2017, the legislature created the Eastern Oregon Border Economic Development Region (Border Region) and established the Eastern Oregon Border Economic Development Board (Board) to recommend policies and strategies to the Legislative Assembly for promoting workforce and economic growth (House Bill 2012). The Border Region is defined by rule as the area within 20 miles of the Oregon border with Idaho, that includes the cities of Ontario, Vale, and Nyssa. The Board was also charged with identifying specific laws, rules, and regulations that place workforce or economic development efforts in the Border Region at a competitive disadvantage compared to similar efforts in the border region of Idaho.

Under Statewide Land Use Planning Goal 3, counties are currently required to include an inventory of farm land in their comprehensive plans and zone these lands for exclusive farm use (EFU) to protect them from incompatible 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.