

Requested by Representative MANNIX

**PROPOSED AMENDMENTS TO
HOUSE BILL 2316**

1 On page 1 of the printed bill, delete lines 4 through 25.

2 Delete pages 2 through 6 and insert:

3 **“SECTION 1. Definitions. As used in sections 1 to 11 of this 2025**
4 **Act:**

5 **“(1) ‘Affordable housing’ means dwellings or dwelling units offered**
6 **for purchase or rent, with or without government assistance, to indi-**
7 **viduals who are members of low or moderate income households at a**
8 **sales price or rent that is affordable to those households.**

9 **“(2) ‘Cottage clusters’ has the meaning given that term in ORS**
10 **197A.420.**

11 **“(3) ‘Home start lands’ mean lands designated by the Oregon De-**
12 **partment of Administrative Services under section 2 or 3 of this 2025**
13 **Act.**

14 **“(4)(a) ‘Lands owned by the state’ means real property or interest**
15 **in real property that is:**

16 **“(A) Subject to ORS 270.100;**

17 **“(B) Controlled by the State Department of Fish and Wildlife;**

18 **“(C) State forestlands that the State Forestry Department controls;**

19 **“(D) Controlled by the Department of Transportation;**

20 **“(E) Controlled by the State Parks and Recreation Department; or**

21 **“(F) Controlled by the Department of State Lands.**

1 **“(b) ‘Lands owned by the state’ does not include real property that**
2 **is:**

3 **“(A) State lands as classified in ORS 273.251, or is otherwise a part**
4 **of the Common School Fund;**

5 **“(B) Land held by the state as a trustee;**

6 **“(C) Lands whose use under sections 1 to 11 of this 2025 Act would**
7 **be unconstitutional or prohibited by or inconsistent with any federal**
8 **law; or**

9 **“(D) Lands for which the state has only subsurface ownership or**
10 **mineral rights.**

11 **“(5) ‘Local government’ means:**

12 **“(a) For land within a city’s boundaries, the city; or**

13 **“(b) For all other land not described in paragraph (a) of this sub-**
14 **section, the county in which the land is located.**

15 **“(6) ‘Low income household’ means a household with income less**
16 **than or equal to 80 percent of the area median income.**

17 **“(7) ‘Middle housing’ has the meaning given that term in ORS**
18 **197A.420.**

19 **“(8) ‘Moderate income household’ means a household with income**
20 **less than or equal to 120 percent and greater than 80 percent of the**
21 **area median income.**

22 **“(9) ‘Townhouses’ has the meaning given that term in ORS**
23 **197A.420.**

24 **“(10) ‘Urban growth boundary’ has the meaning given that term in**
25 **ORS 197.015.**

26 **“SECTION 2. State designation of home start lands. (1) The Oregon**
27 **Department of Administrative Services shall identify lands owned by**
28 **the state within urban growth boundaries and designate the lands as**
29 **home start lands if, in the department’s discretion, the lands have not**
30 **been used or committed for any permanent state purpose and are, or**

1 could be made to be, better suited for the development of housing.

2 “(b) In considering whether the lands have not been used or com-
3 mitted for any permanent state purpose and are, or could be made to
4 be, better suited for the development of housing, the department shall
5 consider whether the lands are underutilized or are contiguous lands
6 that may be combined to accommodate the development of middle
7 housing.

8 “(2) The department may also identify real property owned by the
9 state that may be exchanged for real property within urban growth
10 boundaries and of approximately equal aggregate value. Real property
11 acquired by the state under this subsection shall be designated by the
12 department as home start lands.

13 “(3) The department shall confer with any state agency that owns,
14 manages, operates or is authorized to act on behalf of the state re-
15 garding the real property prior to designation under this section.

16 “(4) Lands designated as home start lands under this section are
17 not subject to ORS chapter 270 or any law governing the state or any
18 agency’s use, management, operation, sale or transfer of lands owned
19 or operated by the state.

20 “(5) The department may adopt rules administering this section and
21 sections 3, 6, 7, 8, 9, 10 and 11 of this 2025 Act.

22 “SECTION 3. Nomination of lands by local governments. (1) The
23 Oregon Department of Administrative Services may designate real
24 property as home start lands if the department finds that the property
25 complies with the requirements under subsection (2) of this section
26 and that the local government and property owners have identified a
27 plan or funding source for the property that is substantially likely to
28 increase the supply of affordable housing in this state.

29 “(2) Local governments may identify real property within urban
30 growth boundaries that is eligible for designation as home start lands

1 and may, by ordinance, nominate real property for designation as
2 home start lands, provided that:

3 “(a) The property is all or a portion of a tract, as defined in ORS
4 215.010, that is subject to an affordable housing covenant as described
5 in ORS 456.270 to 456.295 that will make the property, including each
6 lot or parcel created from the property by division of land:

7 “(A) Developable only for housing that will be made available for
8 homeownership, for a period of no less than 30 years from the date of
9 the first sale to a homeowner, to moderate or low income households
10 at a sales price that is affordable to such households; or

11 “(B) Developable only for rental housing that will be made available
12 for rent, for a period of no less than 30 years from the date the rental
13 housing is first occupied, to moderate or low income households at a
14 rent that is affordable to such households; and

15 “(b) All owners of the property have consented to the designation.

16 “(3) A local government may adopt, by ordinance, regulations for
17 identifying real property that is eligible for designation as home start
18 lands consistent with this section.

19 “SECTION 4. Planning and uses of home start lands. (1) Home start
20 lands may be zoned, divided, combined, developed or used only for
21 single-family dwellings, duplexes, triplexes, quadplexes, cottage clus-
22 ters or townhouses.

23 “(2) A local government may adopt, by ordinance, application ap-
24 proval, siting or development regulations consistent with this section
25 for the specific purpose of regulating home start lands.

26 “(3) Notwithstanding any zone change or conditional use permit
27 requirements of the local government, property designated as home
28 start lands under section 2 or 3 of this 2025 Act may be used for resi-
29 dential development as provided under this section unless the local
30 government determines that:

1 “(a) Development on the property cannot be adequately served by
2 water, sewer, storm water drainage or streets, or will not be so served
3 adequately when the development on the property is complete;

4 “(b) The property contains a slope of 25 percent or greater;

5 “(c) The property is within a 100-year floodplain; or

6 “(d) The development of the property is constrained by land use
7 regulations based on statewide planning goals related to:

8 “(A) Natural disasters and hazards; or

9 “(B) Natural resources, including air, water, land or natural areas,
10 but not including open spaces or historic resources.

11 “(4) A local government shall allow the residential use of property
12 described in subsection (3) of this section, provided the development:

13 “(a) Meets the minimum density requirements for middle housing
14 within the jurisdiction of the local government if the development is
15 for middle housing; and

16 “(b) Meets the local government’s clear and objective standards,
17 conditions and procedures regulating the development of housing, as
18 described in ORS 197A.400.

19 “(5) An application for development of home start lands must be:

20 “(a) Approved or rejected by the governing body of the local gov-
21 ernment; and

22 “(b) Approved or rejected within a time frame established by the
23 local government pursuant to ORS 197A.400.

24 “(6) Approval or rejection of an application under subsection (5) of
25 this section shall be based on criteria and standards adopted by the
26 local government under subsection (2) of this section and shall be ac-
27 companied by a statement that explains the criteria and standards
28 considered relevant to the decision, states the facts relied upon in
29 rendering the decision and explains the justification for the decision
30 based on the criteria, standards and facts set forth.

1 “(7) Written notice of the approval or rejection of an application
2 under subsection (5) of this section shall be given to the applicant.
3 Notice under this subsection shall comply with ORS 197.797 (3)(a), (c),
4 (g) and (h) and shall describe the nature of the decision and include
5 an explanation of appeal rights.

6 “(8) A final decision of a local government on an application under
7 this section is a land use decision subject to review by the Land Use
8 Board of Appeals under ORS 197.830 to 197.845.

9 “(9) An approval of a development application under this section
10 becomes void four years after the date it is issued.

11 “SECTION 5. Termination of home start lands designation. The
12 designation of real property as home start lands is terminated for real
13 property if a development application for the property has not been
14 approved by the local government under section 4 of this 2025 Act
15 within three years following the property’s designation as home start
16 lands and:

17 “(1) For property designated under section 2 of this 2025 Act, the
18 Oregon Department of Administrative Services has issued an order
19 terminating the designation; or

20 “(2) For property designated under section 3 of this 2025 Act:

21 “(a) The local government has adopted an ordinance terminating
22 the designation; or

23 “(b) The Oregon Department of Administrative Services has issued
24 an order terminating the designation.

25 “SECTION 6. Disposition of lands designated as home start lands.

26 (1)(a) The state, through the Oregon Department of Administrative
27 Services, may sell, transfer, or lease for an initial period not to exceed
28 99 years all real property designated as home start lands under section
29 2 of this 2025 Act to housing developers for the purpose of facilitating
30 the development of affordable housing on home start lands. Except

1 where the department is exchanging real property, the consideration
2 for the sale, transfer or lease may be any combination of cash and real
3 property.

4 “(b) A lease agreement entered under this section may be renewed
5 after the initial period for a period not to exceed 99 years. Nothing in
6 this subsection obligates or requires the state to renew a lease agree-
7 ment entered under this section.

8 “(2) The authority to lease property granted by this section includes
9 authority to lease property not owned or controlled by the state as of
10 the effective date of the lease agreement. Leases described in this
11 subsection shall be conditioned on the subsequent acquisition of the
12 interest covered by the lease.

13 “(3) Before the department sells, transfers or leases real property
14 under this section, the department shall cause the real property to be
15 appraised by one or more competent and experienced appraisers in
16 accordance with rules adopted by the department.

17 “(4) Property sold, transferred or leased under this section must be
18 subject to an affordable housing covenant as described in ORS 456.270
19 to 456.295 that makes the property, including each lot or parcel created
20 from the property by division of land:

21 “(a) Developable only for housing that will be made available for
22 homeownership, for a period of not less than 30 years from the date
23 of the first sale to a homeowner, to moderate or low income house-
24 holds at a sales price that is affordable to those households;

25 “(b) Developable only for housing units that, for a period of not less
26 than 30 years from the date of sale to a homeowner, are subject to a
27 shared equity ownership model under a community land trust and
28 made available for homeownership to moderate or low income house-
29 holds at a sales price that is affordable to those households; or

30 “(c) Developable only for rental housing that will be made available

1 for rent, for a period of not less than 30 years from the date the rental
2 housing is first occupied, to moderate and low income households at
3 a rent that is affordable to those households.

4 “(5) If more than one housing developer is interested in real prop-
5 erty available for sale, transfer or lease under this section, the de-
6 partment shall conduct a bidding process that includes consideration
7 of the entity most capable of delivering services and housing options
8 to conform with the purposes of sections 2 to 11 of this 2025 Act.

9 “(6) The department shall give notice of a proposed sale under this
10 section not less than once a week for three successive weeks by pub-
11 lication in one or more newspapers of general circulation in the county
12 in which the real property is located and in other newspapers, if any,
13 as the department considers advisable. The notice shall describe gen-
14 erally and by legal subdivision such real property and the asking price.
15 The department may accept or reject any proposal.

16 **“SECTION 7. Development on home start lands.** (1) For real prop-
17 erty sold, transferred or leased under section 6 of this 2025 Act, the
18 housing developer shall:

19 “(a) Work to diligently prepare affordable housing by taking nec-
20 essary steps and engaging contractors to:

21 “(A) Partition, subdivide or replat the lands for the development
22 of housing under this section; and

23 “(B) Prepare the land for housing, through grading, surveying,
24 planning, installing infrastructure for residential development on the
25 land and other activities;

26 “(b) Develop single-family dwellings or middle housing on the land;
27 and

28 “(c)(A) For housing and real property made available for sale, con-
29 vey the homes and real property in a manner consistent with the ap-
30 plicable affordable housing covenant under section 6 (4)(a) or (b) of

1 this 2025 Act and pursuant to the deed restrictions under section 10 (2)
2 of this 2025 Act; or

3 “(B) For housing made available for rent, lease the rental housing
4 in a manner consistent with the affordability restriction under section
5 6 (4)(c) of this 2025 Act.

6 “(2)(a) For real property sold, transferred or leased to a housing
7 developer under section 6 of this 2025 Act for a nominal amount, the
8 developer shall assume responsibility for capital improvements, as de-
9 fined in ORS 223.299, which may be in addition to or in lieu of the
10 developer’s payment of system development charges, to ensure suffi-
11 cient infrastructure capacity for anticipated housing on the land.

12 “(b) For real property sold, transferred or leased to a housing de-
13 veloper under section 6 of this 2025 Act at market rate, the Oregon
14 Department of Administrative Services shall, as necessary, disburse
15 or lend moneys for purposes of capital improvements, as defined in
16 ORS 223.299, which may be in addition to or in lieu of the developer’s
17 payment of system development charges, to ensure sufficient
18 infrastructure capacity for anticipated housing on the land.

19 “(3) Notwithstanding the exclusion of developments subject to an
20 affordable housing covenant from the definition of ‘planned commu-
21 nity’ under ORS 94.550, housing developed on home start lands under
22 this section may be made a part of a planned community, provided
23 that the state or housing developer retains ownership of and respon-
24 sibility for land to be maintained for public utility or infrastructure
25 purposes, including a common courtyard required for a cottage clus-
26 ter. Home start lands subdivided or partitioned and developed as part
27 of a planned community are subject to the provisions of ORS 94.550 to
28 94.783.

29 **“SECTION 8. Proceeds of sale.** (1) The proceeds, less costs, of real
30 property sold by the Oregon Department of Administrative Services

1 under section 6 of this 2025 Act shall be credited to and deposited in:

2 “(a) The Capital Projects Fund established by ORS 276.005; or

3 “(b) The Trust for Cultural Development Account established in
4 ORS 359.405.

5 “(2) The revenue from the rental or lease of home start lands
6 managed by the department shall be deposited in the State Treasury
7 to the credit of the operating fund established by ORS 283.076.

8 “(3) Notwithstanding subsection (1) or (2) of this section, an agency
9 may negotiate with the department to apply the proceeds of a sale,
10 transfer or lease of home start lands to another capital acquisition of
11 that agency.

12 “SECTION 9. Disposition of operating fund revenues. At the end of
13 each biennium, the Oregon Department of Administrative Services
14 shall transfer from the Oregon Department of Administrative Services
15 Operating Fund established by ORS 283.076 to the Capital Projects
16 Fund established by ORS 276.005 all revenue from the rental or lease
17 of real property on home start lands described in section 8 of this 2025
18 Act not expended for administration, taxes or capital improvements
19 as provided under section 7 (2) of this 2025 Act.

20 “SECTION 10. Occupancy requirements for dwellings sold on home
21 start lands. (1) As used in this section, ‘primary residence’ means
22 housing occupied as an individual’s principal dwelling for a cumulative
23 total of at least nine months of the calendar year and that the indi-
24 vidual intends to maintain as the individual’s principal dwelling.

25 “(2) When a property developed on home start lands becomes
26 available to sell under section 7 of this 2025 Act, each deed conveying
27 the property under section 7 of this 2025 Act must:

28 “(a) Require that the property be the homeowner’s primary resi-
29 dence for a period of not less than five years and that this use be en-
30 forceable by the city or county in which the property is located and

1 by the department; and

2 “(b) Grant to the state, through the Oregon Department of Ad-
3 ministrative Services, a right of first refusal to purchase the property
4 that shall run concurrent with the applicable affordable housing
5 covenant under section 6 (4)(a) or (b) of this 2025 Act.

6 **“SECTION 11.** Upon request by the Oregon Department of Admin-
7 istrative Services, the Housing Accountability and Production Office
8 shall collaborate with the department on establishing program guid-
9 ance for the implementation of sections 1 to 11 of this 2025 Act.

10 **“SECTION 12.** (1)(a) Notwithstanding ORS 307.100 and 307.110, land
11 is exempt from ad valorem property taxation for any property tax year
12 if the land:

13 **“(A) Constitutes home start lands as defined in section 1 of this 2025
14 Act;**

15 **“(B) Has been sold, transferred or leased under section 6 of this 2025
16 Act; and**

17 **“(C) Is used or held for use consistently with applicable provisions
18 of sections 1 to 11 of this 2025 Act.**

19 **“(b)(A) Except as provided in subparagraph (B) of this paragraph,
20 an exemption may be granted under this section for a period not to
21 exceed two consecutive property tax years.**

22 **“(B) The exemption may be granted for each of not more than three
23 succeeding property tax years if construction of affordable housing
24 meeting the requirements of sections 1 to 11 of this 2025 Act is started
25 on the land no later than the end of the second property tax year of
26 the exemption and continues or is completed in each succeeding
27 property tax year.**

28 **“(2)(a) A person seeking an exemption for land under this section
29 must apply to the Oregon Department of Administrative Services for
30 certification that the land is eligible for exemption on the terms set**

1 **forth in subsection (1) of this section.**

2 **“(b) Application shall be made, on a form provided by the depart-**
3 **ment, on or before March 1 of each assessment year for which the**
4 **certification for exemption is sought, except that when the land is**
5 **acquired after March 1 and before July 1, the application for that year**
6 **must be filed within 30 days following the date of acquisition.**

7 **“(c) The application must include:**

8 **“(A) A description of the land for which the certification is sought;**

9 **“(B) Any information and documentation the department requires**
10 **for the purpose of determining the eligibility of the land for the cer-**
11 **tification; and**

12 **“(C) A written declaration made by the applicant, subject to penal-**
13 **ties for false swearing, that all information and statements included**
14 **in the application are true.**

15 **“(3)(a) On or before April 1 of the assessment year, the department**
16 **shall approve or deny each application for certification and:**

17 **“(A) Notify each applicant of the approval or denial of the applica-**
18 **tion;**

19 **“(B) For each approved application, certify to the assessor of each**
20 **county in which the land to which the application relates is located**
21 **that the land is eligible for the exemption; and**

22 **“(C) For each denied application for land that had previously been**
23 **granted exemption under this section for a previous tax year, notify**
24 **the county assessor of any information that relates to the previous**
25 **grants of exemption.**

26 **“(b) The denial of an application for certification may not be ap-**
27 **pealed.**

28 **“(4) Upon receipt of certification under subsection (3)(a)(B) of this**
29 **section, the county assessor shall exempt the land from ad valorem**
30 **property taxation in accordance with the certification.**

1 **“(5) For each property tax year that land is exempt from taxation**
2 **under this section, the county assessor shall enter on the assessment**
3 **roll:**

4 **“(a) The assessed value of the land as if it were not exempt under**
5 **this section.**

6 **“(b) The amount of taxes that would be due if the land were not**
7 **exempt.**

8 **“(c) That the land is exempt and is subject to potential additional**
9 **taxes as provided in this section, by adding the notation ‘home start**
10 **lands (potential additional tax).’**

11 **“(6)(a) Land may be granted exemption under this section until the**
12 **earlier of:**

13 **“(A) The end of the fifth consecutive property tax year of ex-**
14 **emption; or**

15 **“(B) The first property tax year for which the land is denied certi-**
16 **fication for the exemption under subsection (3) of this section.**

17 **“(b) Land that is no longer exempt by operation of this subsection**
18 **shall be assessed and taxed as other property similarly situated is as-**
19 **essed and taxed.**

20 **“(7)(a) Upon discovery by the county or receipt of notice by the**
21 **department that land received an exemption under this section for a**
22 **property tax year for which the land was not eligible, the land shall**
23 **be disqualified for the exemption and there shall be added to the as-**
24 **essment and tax roll for the next following property tax year, to be**
25 **collected and distributed in the same manner as the other ad valorem**
26 **property taxes imposed on the land, an amount equal to the taxes that**
27 **would have been imposed on the land for each of the tax years for**
28 **which the land received the exemption.**

29 **“(b) In addition to the additional taxes imposed under this sub-**
30 **section and any other applicable penalties imposed under law, the**

1 county assessor shall impose a penalty, not to exceed five percent of
2 the amount of the additional taxes, in accordance with rules adopted
3 by the department.

4 “(c) Notwithstanding paragraphs (a) and (b) of this subsection, if
5 the exemption was granted to ineligible land due to a statement or
6 omission on the part of an applicant for certification that was not in-
7 tentiously misleading:

8 “(A) Additional taxes may be imposed only for the years for which
9 the land was ineligible; and

10 “(B) Any penalty shall be waived.

11 “(d) Additional taxes and any penalty imposed under this subsection
12 shall be deemed assessed and imposed in the year to which the addi-
13 tional taxes relate.

14 “(8) The department may adopt any rules the department considers
15 necessary or convenient for the administration of this section.

16 “SECTION 13. Captions. The section captions used in this 2025 Act
17 are provided only for the convenience of the reader and do not become
18 part of the statutory law of this state or express any legislative intent
19 in the enactment of this 2025 Act.”.

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