

SB 1578 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

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Meeting Dates: 2/10, 2/12

WHAT THE MEASURE DOES:

The measure allows rural counties to rezone up to 50 acres of land outside of an urban growth boundary for the development of housing. It expands the allowable placement of an accessory dwelling to farmland, so long as the land already contains a dwelling, and increases the allowable size of the new accessory dwelling.

Detailed summary:

Rural Rezoning (Sections 1-3)

Allows a county with a population density of less than 30 people per square mile to rezone an area up to 50 acres for the development of housing. Requires this land to be outside of an urban growth boundary (UGB), to be sized in such a way that all parcels created by the division meet minimum lot requirements, and be zoned to meet the following criteria:

- be rezoned for the development of housing
- have an average density of at least five dwellings per acre
- allow a maximum dwelling size of 1200 square feet
- allowing no vacation occupancies.

Requires any property owner, as a requirement of approval for development, to sign a deed restriction acknowledging the protected rights of farm, forest, and rangeland practices in the area.

Requires each participating county to report annually to the Department of Land Conservation and Development on information as requested by the Department to evaluate the effectiveness of the program.

Provisions sunset on January 2, 2034.

Accessory Dwelling Units (Sections 4-5)

Allows an accessory dwelling to be placed on a lot or parcel zoned for exclusive farm use, so long as that land already contains a legally-sited dwelling. Increases the allowable size of the added dwelling unit from 900 to 2500 usable square feet.

Conforming Amendments (Sections 6-9)

Amends land use planning statute to conform with the changes in Sections 1-5.

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

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

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon has a unique [system of state-wide land-use planning](#) that directs the types of use for various lands across the state. Beginning in 1961, Oregon Revised Statute (ORS) has defined specific uses for any area zoned for [exclusive farm use \(EFU\)](#), creating special tax assessments for this land and limited use. Regulation of EFU-zoned land is part of Oregon’s system of land use goals, overseen by the Land Conservation and Development Commission (LCDC) and the Department of Land Conservation and Development (DLCD), which were created by legislation in 1973 to assist local governments with the implementation of these goals. Urban Growth Boundaries (UGBs) were implemented at the same time. These are zoning lines drawn around cities to accommodate and plan residential and industrial growth over a 20-year period. Areas outside of UGBs are not allowed to see “urban levels” of development. Development on EFU-zoned land is further restricted: Non-farm dwellings may be sited only on soils that are generally unsuitable for agriculture. To allow a “farm dwelling,” local governments must determine that the parcel is at least 160 acres or that it has been producing at least \$40,000 in gross revenues from agriculture (\$80,000 on high-value farmland).

Accessory dwelling units are smaller, ancillary dwelling units located on the same property as a primary residence. These units are self-contained homes and can be attached or detached from the primary residence. Outside of an urban growth boundary, they are permitted on land that is subject to an acknowledged exemption to a statewide planning goal (“exemption land”) and which the county has zoned to allow residential use as the primary use.

The issue of building an auxiliary dwelling unit (ADU) or an additional dwelling on land zoned for exclusive farm use (EFU) has been before the legislature multiple times in the last decade. [HB 3012 \(2017\)](#) changed the law to permit ADUs on rural residential or exception land if the land already contained a historic dwelling (defined as built before 1945) that met certain standards and provided that the historic dwelling would be converted to an ADU when the new dwelling was completed. Several bills – including [HB 2937 \(2017\)](#), [SB 438 \(2025\)](#), and [SB 878 \(2025\)](#) – would have allowed ADUs or additional dwellings if build on EFU parcels that already included primary dwellings and met other requirements.