

House Bill 4035

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Housing and Homelessness for Representative Pam Marsh)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act amends temp UGB program and lets LCDC award grants. (Flesch Readability Score: 80.3).

Expands eligibility for cities and Metro to amend their urban growth boundaries under a temporary program.

Authorizes the Land Conservation and Development Commission to issue grants to implement the commission's duties.

A BILL FOR AN ACT

Relating to land use; amending ORS 197.045 and sections 50, 52 and 60, chapter 110, Oregon Laws 2024.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 50, chapter 110, Oregon Laws 2024, is amended to read:

Sec. 50. (1) Notwithstanding any other provision of ORS chapter 197A, a city outside of Metro may add a site to the city's urban growth boundary under sections 49 to 59, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*], if:

(a) The site is adjacent to the existing urban growth boundary of the city or is separated from the existing urban growth boundary by only a street or road;

(b) The site is:

(A) Designated as an urban reserve under ORS 197A.230 to 197A.250, including a site whose designation is adopted under ORS 197.652 to 197.658;

(B) Designated as nonresource land; [*or*]

(C) Subject to an acknowledged exception to a statewide land use planning goal relating to farmland or forestland; **or**

(D) Other land, prioritized in the manner described in ORS 197A.285 (2)(c), only if there are insufficient lands described in subparagraphs (A) to (C) of this paragraph;

(c) The city has not previously adopted an urban growth boundary amendment or exchange under sections 49 to 59, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*];

(d) The city has demonstrated a need for the addition under section 52, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*];

(e) The city has requested and received an application as required under sections 53 and 54, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*];

(f) The total acreage of the site:

(A) For a city with a population of 25,000 or greater, [*does not exceed 100*] **includes up to 150** net residential acres; [*or*]

(B) For a city with a population of less than 25,000, [*does not exceed*] **includes up to 50** net

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 residential acres; and

2 (C) **Includes up to 30 percent of the net residential acreage added to the site in subpar-**
 3 **agraph (A) or (B) of this paragraph, provided that the additional net developable acreage**
 4 **added under this subparagraph may only be used for open space, public facilities or com-**
 5 **mercial uses; and**

6 (g)(A) The city has adopted a binding conceptual plan for the site that satisfies the requirements
 7 of section 55, **chapter 110, Oregon Laws 2024** [of this 2024 Act]; or

8 (B) The added site does not exceed 15 net residential acres and satisfies the requirements of
 9 section 56, **chapter 110, Oregon Laws 2024** [of this 2024 Act].

10 (2) A county shall approve an amendment to an urban growth boundary made under this section
 11 that complies with sections 49 to 59, **chapter 110, Oregon Laws 2024**, [of this 2024 Act] and shall
 12 cooperate with a city to facilitate the coordination of functions under ORS 195.020 to facilitate the
 13 city's annexation and the development of the site. The county's decision is not a land use decision.

14 (3) Notwithstanding ORS 197.626, an action by a local government under sections 49 to 59,
 15 **chapter 110, Oregon Laws 2024**, [of this 2024 Act] is not a land use decision as defined in ORS
 16 197.015.

17 **SECTION 2.** Section 52, chapter 110, Oregon Laws 2024, as amended by section 5, chapter 530,
 18 Oregon Laws 2025, is amended to read:

19 **Sec. 52.** A city may not add, or petition to add, a site under sections 49 to 59, chapter 110,
 20 Oregon Laws 2024, unless:

21 (1) The city has demonstrated a need for additional land based on the following factors:

22 (a)(A) In the previous 20 years there have been no urban growth boundary expansions for resi-
 23 dential use adopted by a city or by Metro in a location adjacent to the city; and

24 (B) The city does not have within the existing urban growth boundary a tract that:

25 (i) Is larger than 20 net residential acres;

26 [(ii) Is undeveloped; and]

27 **(ii) Contains no permanent structures;**

28 **(iii) Is not adjacent to improved public utilities that are suitable for immediate con-**
 29 **nection at the property line;**

30 **(iv) Has not received final approval of any land use entitlements, development approvals,**
 31 **subdivision plats, site plans or building permits; and**

32 [(iii)] (v) Consists of one or more lots or parcels with or without common ownership and that
 33 abut each other or are separated by only a street or a road; or

34 (b) Within urban growth boundary expansion areas for residential use adopted by the city over
 35 the previous 20 years, or by Metro in locations adjacent to the city, 75 percent of the lands either:

36 (A) Are developed; or

37 (B) Have an acknowledged comprehensive plan with land use designations in preparation for
 38 annexation and have a public facilities plan and associated financing plan.

39 (2) The city has demonstrated a need for affordable housing, based on:

40 (a) Having a greater percentage of [severely] cost-burdened households than the average for this
 41 state based on the **most recent** Comprehensive Housing Affordability Strategy data from the United
 42 States Department of Housing and Urban Development; or

43 (b) At least 25 percent of the renter households in the city being [severely] rent burdened as
 44 indicated under the most recent housing equity indicator data under ORS 456.602 (2)(g).

45 (3) The evaluation of the demonstrations required under this section and the evaluation of cri-

teria in an application under sections 49 to 59, chapter 110, Oregon Laws 2024, must be based on the evidence, data and factors as of the time a public notice is issued under section 53 (1), chapter 110, Oregon Laws 2024.

SECTION 3. Section 60, chapter 110, Oregon Laws 2024, as amended by section 4, chapter 341, Oregon Laws 2025, is amended to read:

Sec. 60. (1) Section 49, chapter 110, Oregon Laws 2024, as amended by section 4, chapter 530, Oregon Laws 2025, is repealed on January 2, 2033.

(2) Section 50, chapter 110, Oregon Laws 2024, as amended by section 1 of this 2026 Act, is repealed on January 2, 2033.

[(1)] (3) Sections [49 to 56, 58 and 59] 51, 53, 54, 56 and 59, chapter 110, Oregon Laws 2024, are repealed on January 2, 2033.

(4) Section 52, chapter 110, Oregon Laws 2024, as amended by section 5, chapter 530, Oregon Laws 2025, and section 2 of this 2026 Act, is repealed on January 2, 2033.

(5) Section 55, chapter 110, Oregon Laws 2024, as amended by section 6, chapter 530, Oregon Laws 2025, is repealed on January 2, 2033.

[(2)] (6) Section 57, chapter 110, Oregon Laws 2024, as amended by section 3 [of this 2025 Act], chapter 341, Oregon Laws 2025, and section 7, chapter 530, Oregon Laws 2025, is repealed on January 2, 2033.

(7) Section 58, chapter 110, Oregon Laws 2024, as amended by section 8, chapter 530, Oregon Laws 2025, is repealed on January 2, 2033.

[(3)] (8) Section 2, chapter 341, Oregon Laws 2025, [of this 2025 Act] is repealed on January 2, 2033.

SECTION 4. ORS 197.045 is amended to read:

197.045. The Land Conservation and Development Commission may:

(1) Apply for and receive moneys from the federal government and from this state or any of its agencies or departments.

(2) Contract with **or issue grants to** any public agency for the performance of services or the exchange of employees or services by one to the other necessary in carrying out ORS chapters 195, 196, 197 and 197A.

(3) Contract for the services of and consultation with professional persons or organizations, not otherwise available through federal, state and local governmental agencies, in carrying out its duties under ORS chapters 195, 196, 197 and 197A.

(4) Perform other functions, **including issuing grants**, required to carry out ORS chapters 195, 196, 197 and 197A.

(5) Assist in development and preparation of model land use regulations to guide state agencies, cities, counties and special districts in implementing goals.

(6) Notwithstanding any other provision of law, review comprehensive plan and land use regulations related to the identification and designation of high-value farmland pursuant to chapter 792, Oregon Laws 1993, under procedures set forth in ORS 197.251.