

# Senate Bill 1578

Sponsored by Senator NASH, Representatives OWENS, SKARLATOS; Senators FREDERICK, SMITH DB, WEBER, Representatives EVANS, JAVADI, LEVY B, MCDONALD, SMITH G (Presession filed.)

## 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 allows rural counties to zone up to 50 acres for homes and allows more rural ADUs. (Flesch Readability Score: 66.3).

Allows counties with a population density of less than 30 people per square mile to rezone up to 50 acres to be divided and developed for residential dwellings of at least five units per acre. Sunsets January 2, 2034.

Expands allowed development of accessory dwelling units to farmland with certain existing nonfarm dwellings. Allows the development of larger rural accessory dwelling units.

## A BILL FOR AN ACT

Relating to rural residential development; creating new provisions; and amending ORS 197.783, 197.791, 197A.400, 215.490, 215.495 and 215.501.

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

## RURAL REZONING

**SECTION 1.** Section 2 of this 2026 Act is added to and made a part of ORS chapter 215.

**SECTION 2.** (1) Notwithstanding any land use planning goal related to urbanization or agricultural or forest land or any other provision of this chapter, a county with a population density of less than 30 people per square mile, based on the 2020 federal decennial census, may approve applications to rezone, and to permit the division of, up to 50 acres of land for residential uses, provided that:

(a) The land to be rezoned is not within an urban growth boundary and is at least one acre;

(b) Any remainder lot or parcel created by the division of land rezoned under this section meets any applicable minimum lot size requirements;

(c) The approval would not result in a cumulative total of more than 50 acres rezoned by the county under this section; and

(d) The rezoning and division complies with rezoning and land division criteria and standards adopted by the county, except as otherwise provided in this section.

(2) Lands rezoned under this section must be developed for housing:

(a) With an average density of at least five dwelling units per acre;

(b) With each dwelling unit no more than 1,200 square feet in size; and

(c) That may not be used for vacation occupancy, as defined in ORS 90.100.

(3) The governing body of the county must give the final approval for any proposed rezoning under this section.

**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.

(4) Prior to approval of an application under this section, the property owner must agree as a condition of approval to sign and record in the county deed records an irrevocable deed restriction, in the form prescribed by the county, acknowledging the protected rights of farm, forest and rangeland practices in the area and prohibiting the owner and the owner's successors in interest from pursuing a cause of action or claim of relief alleging an injury from any farming, forest or rangeland practices if no claim or action is allowed under ORS 30.936 or 30.937 if the farming, forest or rangeland practices are otherwise protected by law.

(5) Each county that has rezoned lands under this section shall report annually to the Department of Land Conservation and Development on:

(a) The total acreage rezoned;

(b) The number of housing units developed;

(c) The average rental or sale price of developed units; and

(d) Other information as requested by the department to evaluate the effectiveness of this section.

**SECTION 3.** Section 2 of this 2026 Act is repealed on January 2, 2034.

## ACCESSORY DWELLING UNITS

**SECTION 4.** ORS 215.501 is amended to read:

215.501. (1) As used in this section:

(a) "Accessory dwelling unit" means a residential structure that is used in connection with or that is auxiliary to a single-unit dwelling.

(b) "Area zoned for rural residential use" means [land] a lot or parcel that is not located inside an urban growth boundary as defined in ORS 197.015 and that is:

(A) Subject to an acknowledged exception to a statewide land use planning goal relating to farmland or forestland and planned and zoned by the county to allow residential use as a primary use; or

(B) Zoned for exclusive farm use but has a dwelling that was sited on the lot or parcel under ORS 215.213 (3) or (4) or 215.284.

(c) "Historic home" means a single-unit dwelling constructed between 1850 and 1945.

(d) "New" means that the dwelling being constructed did not previously exist in residential or nonresidential form. "New" does not include the acquisition, alteration, renovation or remodeling of an existing structure.

(e) "Single-unit dwelling" means a residential structure designed as a residence for one family and sharing no common wall with another residence of any type.

(2) Notwithstanding any local zoning or local regulation or ordinance pertaining to the siting of accessory dwelling units in areas zoned for rural residential use, a county may allow an owner of a lot or parcel within an area zoned for rural residential use to construct a new single-unit dwelling on the lot or parcel, provided:

(a) The lot or parcel is not located in an area designated as an urban reserve as defined in ORS 197A.230;

(b) The lot or parcel is at least two acres in size;

(c) A historic home is sited on the lot or parcel;

(d) The owner converts the historic home to an accessory dwelling unit upon completion of the new single-unit dwelling; and

(e) The accessory dwelling unit complies with all applicable laws and regulations relating to sanitation and wastewater disposal and treatment.

(3) An owner that constructs a new single-unit dwelling under subsection (2) of this section may not:

(a) Subdivide, partition or otherwise divide the lot or parcel so that the new single-unit dwelling is situated on a different lot or parcel from the accessory dwelling unit.

(b) Alter, renovate or remodel the accessory dwelling unit so that the square footage of the accessory dwelling unit is more than 120 percent of the historic home's square footage at the time construction of the new single-unit dwelling commenced.

(c) Rebuild the accessory dwelling unit if the structure is lost to fire.

(d) Construct an additional accessory dwelling unit on the same lot or parcel.

(4) A county may require that a new single-unit dwelling constructed under this section be served by the same water supply source as the accessory dwelling unit.

(5) A county may impose additional conditions of approval for construction of a new single-unit dwelling or conversion of a historic home to an accessory dwelling unit under this section.

**SECTION 5.** ORS 215.495 is amended to read:

215.495. (1) As used in this section:

(a) "Accessory dwelling unit" has the meaning given that term in ORS 215.501.

(b) "Area zoned for rural residential use" has the meaning given that term in ORS 215.501.

(c) "Single-unit dwelling" has the meaning given that term in ORS 215.501.

(2) Consistent with a county's comprehensive plan, a county may allow an owner of a lot or parcel within an area zoned for rural residential use to construct one accessory dwelling unit on the lot or parcel, provided:

(a) The lot or parcel is not located within an area designated as an urban reserve as defined in ORS 197A.230;

(b) The lot or parcel is at least two acres in size;

(c) One single-unit dwelling is sited on the lot or parcel;

(d) The existing single-unit dwelling property on the lot or parcel is not subject to an order declaring it a nuisance or subject to any pending action under ORS 105.550 to 105.600;

(e) The accessory dwelling unit will comply with all applicable laws and regulations relating to sanitation and wastewater disposal and treatment;

(f) The accessory dwelling unit will not include more than [900] **2,500** square feet of usable floor area;

(g) The accessory dwelling unit will be located no farther than 100 feet from the existing single-unit dwelling;

(h) If the water supply source for the accessory dwelling unit or associated lands or gardens will be a well using water under ORS 537.545 (1)(b) or (d), no portion of the lot or parcel is within an area in which new or existing ground water uses under ORS 537.545 (1)(b) or (d) have been restricted by the Water Resources Commission;

(i) No portion of the lot or parcel is within a designated area of critical state concern;

(j) The lot or parcel is served by a fire protection service provider with professionals who have received training or certification described in ORS 181A.410; and

(k) The county has adopted land use regulations that ensure that:

(A) The accessory dwelling unit has adequate setbacks from adjacent lands zoned for resource use; and

(B) The accessory dwelling unit has adequate access for firefighting equipment, safe evacuation and staged evacuation areas.

(3) A county may not allow an accessory dwelling unit allowed under this section to be used for vacation occupancy, as defined in ORS 90.100.

(4) A county that allows construction of an accessory dwelling unit under this section may not approve:

(a) A subdivision, partition or other division of the lot or parcel so that the existing single-unit dwelling is situated on a different lot or parcel than the accessory dwelling unit.

(b) Construction of an additional accessory dwelling unit on the same lot or parcel.

(5) A county may require that an accessory dwelling unit constructed under this section be served by the same water supply source or water supply system as the existing single-unit dwelling, provided such use is allowed for the accessory dwelling unit by an existing water right or a use under ORS 537.545. If the accessory dwelling unit is served by a well, the construction of the accessory dwelling unit shall maintain all setbacks from the well required by the Water Resources Commission or Water Resources Department.

(6) An existing single-unit dwelling and an accessory dwelling unit allowed under this section are considered a single unit for the purposes of calculating exemptions under ORS 537.545 (1).

(7) Nothing in this section requires a county to allow any accessory dwelling units in areas zoned for rural residential use or prohibits a county from imposing any additional restrictions on accessory dwelling units in areas zoned for rural residential use, including restrictions on the construction of garages and outbuildings that support an accessory dwelling unit.

## CONFORMING AMENDMENTS

**SECTION 6.** ORS 197.791 is amended to read:

197.791. (1) As used in this section:

(a) **“Area zoned for rural residential use” means land that is not within an urban growth boundary, as defined in ORS 197.015, and that is subject to an acknowledged exception to a statewide land use planning goal relating to farmland or forestland and planned and zoned by the county to allow residential use as a primary use.**

[(a)] (b) “Local government” means a city or county.

[(b)] (c) “Surplus real property” means real property in which a government entity holds title through a deed or other legal instrument that is no longer suitable or needed for the duties and responsibilities of the government entity.

(2) The Department of Land Conservation and Development shall develop and implement an electronic system for receiving and displaying inventory information described in subsection (3) of this section. The electronic system must be a web-based or online system that allows:

(a) Government entities to upload inventories described in subsection (3) of this section using a template developed by the department; and

(b) The general public to search and view information stored by the system.

(3)(a) No later than January 1 of each even-numbered year, each local government shall prepare and submit to the department, using the system developed under subsection (2) of this section, an inventory of surplus real property owned by the local government that is:

(A) Located inside an urban growth boundary; or

(B) Located in an area zoned for rural residential use *[as defined in ORS 215.501]*.

(b) A mass transit district established under ORS 267.010 to 267.394 or a transportation district organized under ORS 267.510 to 267.650 may submit to the department an inventory of surplus real property owned by the district as described in paragraph (a) of this subsection.

(4) Nothing in this section requires the department to verify the accuracy of information received by the department using the system developed under subsection (2) of this section before making the information available to the public.

(5) No later than February 1 of each even-numbered year, the department shall present the information received by the department under subsection (3) of this section in a report to the interim committees of the Legislative Assembly related to housing in the manner provided under ORS 192.245.

**SECTION 7.** ORS 197.783 is amended to read:

197.783. (1) A local government shall approve an application for the development or use of land for an emergency shelter, as defined in ORS 197.782, on any property, notwithstanding this chapter or ORS chapter 195, 197A, 215 or 227 or any statewide land use planning goal, rule of the Land Conservation and Development Commission or local land use regulation, zoning ordinance, regional framework plan, functional plan or comprehensive plan, if the emergency shelter:

(a) Includes sleeping and restroom facilities for clients;

(b) Will comply with applicable building codes;

(c) Is located inside an urban growth boundary or in an area zoned for rural residential use as defined in ORS [215.501] **197.791**;

(d) Will not result in the development of a new building that is sited within an area designated under a statewide planning goal relating to natural disasters and hazards, including flood plains or mapped environmental health hazards, unless the development complies with regulations directly related to the hazard;

(e) Has adequate transportation access to commercial and medical services; and

(f) Will not pose any unreasonable risk to public health or safety.

(2) An emergency shelter allowed under this section must be operated by:

(a) A local government as defined in ORS 174.116;

(b) An organization with at least two years' experience operating an emergency shelter using best practices that is:

(A) A local housing authority as defined in ORS 456.375;

(B) A religious corporation as defined in ORS 65.001; or

(C) A public benefit corporation, as defined in ORS 65.001, whose charitable purpose includes the support of homeless individuals, that has been recognized as exempt from income tax under section 501(a) of the Internal Revenue Code for at least three years before the date of the application for a shelter; or

(c) A nonprofit corporation partnering with any other entity described in this subsection.

(3) An emergency shelter approved under this section:

(a) May provide on-site for its clients and at no cost to the clients:

(A) Showering or bathing;

(B) Storage for personal property;

(C) Laundry facilities;

(D) Service of food prepared on-site or off-site;

(E) Recreation areas for children and pets;

(F) Case management services for housing, financial, vocational, educational or physical or be-

havioral health care services; or

(G) Any other services incidental to shelter.

(b) May include youth shelters, winter or warming shelters, day shelters and family violence shelter homes as defined in ORS 409.290.

(4) An emergency shelter approved under this section may also provide additional services not described in subsection (3) of this section to individuals who are transitioning from unsheltered homeless status. An organization providing services under this subsection may charge a fee of no more than \$300 per month per client and only to clients who are financially able to pay the fee and who request the services.

(5)(a) The approval or denial of an emergency shelter under this section may be made without a hearing. Whether or not a hearing is held, the approval or denial is not a land use decision and is subject to review only under ORS 34.010 to 34.100.

(b) A reviewing court shall award attorney fees to:

(A) A local government, and any intervening applicant, that prevails on the appeal of a local government's approval; and

(B) An applicant that prevails on an appeal of a local government's denial.

(6) An application for an emergency shelter is not subject to approval under this section if, at the time of filing, the most recently completed point-in-time count, as reported to the United States Department of Housing and Urban Development under 24 C.F.R. part 578, indicated that the total sheltered and unsheltered homeless population was less than 0.18 percent of the state population, based on the latest estimate from the Portland State University Population Research Center.

**SECTION 8.** ORS 197A.400 is amended to read:

197A.400. (1)(a) Except as provided in subsection (3) of this section, a local government may adopt and apply only clear and objective standards, conditions and procedures regulating:

(A) The development of housing; and

(B) Tree removal codes related to the development of housing.

(b) The standards, conditions and procedures:

(A) May include, but are not limited to, one or more provisions regulating the density or height of a development.

(B) May not have the effect, either in themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

(C) May be contained in a comprehensive plan, land use regulation or an ordinance relating to housing adopted by a city that adopts, including by reference, a model ordinance adopted by the Land Conservation and Development Commission that comports with any qualifications, conditions or applicability of the model ordinance.

(c) This subsection applies only within:

(A) An urban growth boundary;

(B) An unincorporated community designated in a county's acknowledged comprehensive plan after December 5, 1994;

(C) Nonresource land; or

(D) An area zoned for rural residential use as defined in ORS [215.501] **197.791**.

(2) The provisions of subsection (1) of this section do not apply to:

(a) An application or permit for residential development in an area identified in a formally adopted central city plan, or a regional center as defined by Metro, in a city with a population of 500,000 or greater.

(b) An application or permit for residential development in historic areas designated for protection under a land use planning goal protecting historic areas.

(3) In addition to an approval process for needed housing based on clear and objective standards, conditions and procedures as provided in subsection (1) of this section, a local government may adopt and apply an alternative approval process for applications and permits for residential development based on approval criteria that are not clear and objective if:

(a) The applicant retains the option of proceeding under the approval process that meets the requirements of subsection (1) of this section;

(b) The approval criteria for the alternative approval process comply with applicable statewide land use planning goals and rules; and

(c) The approval criteria for the alternative approval process authorize a density at or above the density level authorized in the zone under the approval process provided in subsection (1) of this section.

(4) Subject to subsection (1) of this section, this section does not infringe on a local government's prerogative to:

(a) Set approval standards under which a particular housing type is permitted outright;

(b) Impose special conditions upon approval of a specific development proposal; or

(c) Establish approval procedures.

**SECTION 9.** ORS 215.490 is amended to read:

215.490. (1) As used in this section:

(a) "Recreational vehicle" means a recreational vehicle that has not been rendered structurally immobile and is titled with the Department of Transportation.

(b) "Rural area" means an area zoned for rural residential use as defined in ORS [215.501] 197.791 or land that is within the urban growth boundary of a metropolitan service district, but not within the jurisdiction of any city, and zoned for residential use.

(2) A county may allow an owner of a lot or parcel in a rural area to site on the property one recreational vehicle that is used for residential purposes and is subject to a residential rental agreement, provided:

(a) The property is not within an area designated as an urban reserve as defined in ORS 197A.230;

(b) A single-unit dwelling that is occupied as the primary residence of the property owner is sited on the property;

(c) There are no other dwelling units on the property and no portion of the single-unit dwelling is rented as a residential tenancy;

(d) The property owner will not allow the use of the recreational vehicle space or recreational vehicle for vacation occupancy, as defined in ORS 90.100, or other short-term uses;

(e) The recreational vehicle is owned or leased by the tenant; and

(f) The property owner will provide essential services to the recreational vehicle space, as described in ORS 90.100 (15)(b).

(3) A county may require that an owner of a lot or parcel who sites a recreational vehicle under this section:

(a) Register the use with the county.

(b) Enter into a written residential rental agreement with the tenant of the recreational vehicle.

(c) Limit the amount of payments that the property owner may accept from the tenant under ORS 90.140 to those reasonably necessary to cover the owner's costs or losses.

1 (d) Require that the recreational vehicle comply with any reasonable appearance, repair, in-  
2 spection or siting standards adopted by the county.

3 (4) Notwithstanding ORS 455.405, a recreational vehicle sited under this section is not subject  
4 to the state building code.

5  
6 **CAPTIONS**

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8 **SECTION 10. The unit captions used in this 2026 Act are provided only for the conven-**  
9 **ience of the reader and do not become part of the statutory law of this state or express any**  
10 **legislative intent in the enactment of this 2026 Act.**  
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