



Oregon

Kate Brown, Governor

Department of Land Conservation and Development

635 Capitol Street NE, Suite 150

Salem, Oregon 97301-2540

Phone: (503) 373-0050

Fax: (503) 378-5518

www.oregon.gov/LCD

February 25, 2015

TO: Land Conservation and Development Commission

FROM: Dan Eisenbeis, Urban Policy Analyst/Legislative Coordinator
Sadie Carney, Rural Policy Analyst/Communications Manager

SUBJECT: **Agenda Item 10, March 10-11, 2016, LCDC Meeting**

2016 LEGISLATIVE SESSION BRIEFING

I. AGENDA ITEM SUMMARY

The Land Conservation and Development Commission (LCDC or commission) will receive a briefing regarding the 2016 short legislative session. At the time of this report, the legislative session has yet to conclude; the constitution requires that the Legislature adjourn by March 6th. A report of notable bills is provided below. Staff will provide supplemental information at the commission meeting.

For additional information about this report, please contact Dan Eisenbeis, Urban Policy Analyst/Legislative Coordinator at 503-934-0020 or dan.eisenbeis@state.or.us.

II. REPORT

At the time of this report, the department is tracking several bills that are still at play:

- [HB 4001](#) – **Housing Omnibus**: This bill includes provisions to lift the state preemption on inclusionary zoning, strengthen tenant protections, and allow certain cities who declare a housing emergency to waive any state or local building code, zoning code, regulation or requirement to site temporary housing. However, inclusionary zoning and tenant protections are also addressed in other bills, SB 1533 and HB 4143, respectively.
- [HB 4018-A](#) – **Annexation of Jackson County Industrial Lands**: This bill proposes to extend the sunset from 2016 to 2026 on the prohibition on annexation of certain unincorporated Jackson County industrial lands without the consent of the landowner.
- [HB 4039](#) – **Rural Airport Definition / Through the Fence**: This legislation proposes to revise the definition of rural airport for purposes of “through the fence” operations to include airports with air traffic control towers. An air traffic control tower was constructed last summer at the Aurora airport.
- [HB 4084-A](#) – **Brownfield Redevelopment Tax Incentives**: This legislation authorizes optional local programs to provide tax incentives for brownfield remediation and redevelopment for a period of up to 10 years.

- **[HB 4079-B](#) – UGB Expansions for Affordable Housing:** This legislation directs LCDC to create a pilot program for two cities, one with a population of 25,000 or less and one with a population of 25,000 or more, to expand their UGBs by up to 50 acres for affordable housing. The bill provides that the expedited UGB expansion process for the pilot sites may be established without regard to whether an UGB contains a 20-year land supply and requires a local government to protect a pilot project site for continued use as affordable housing for 50 years using a list of optional actions. The bill also directs LCDC to develop rules for selecting projects nominated by a local government that demonstrate efforts to accommodate and encourage needed housing within its existing UGB. The bill specifies that Clackamas, Multnomah, and Washington counties and the cities therein are not eligible to participate in the pilot program.
- **[HB 4126](#) – UGB Rules Grandfather Clause:** This bill conforms statute to the recent UGB rule amendments adopted by LCDC to make clear that a city outside Metro that initiated, but did not complete, an UGB evaluation and amendment process prior to January 1, 2016 (the effective date of the rules) may choose to complete its process under the old UGB rules. After 54-0 approval by the House, the bill has been referred to the Senate Rules Committee, where it is scheduled for a public hearing and possible work session on February 18th.
- **[HB 4143-A](#) – Tenant Protections:** This bill prohibits rent increases during the first year of month-to-month tenancies and requires 90-day notice for rent increase thereafter.
- **[SB 1511](#) – Marijuana Legalization:** This bill deals with a host of (primarily) minor and technical changes to HB 3400 (2015) relating to marijuana producers, marijuana processors, marijuana wholesalers and marijuana retailers for the purposes of producing, processing and selling marijuana and edibles.
- **[SB 1517-A](#) – Wetlands in EFU:** This bill proposes wetland restoration as a conditional use in areas zoned for exclusive farm use (EFU) in Tillamook County through a pilot project that will sunset in January 2027. A collaborative process will be used to define priorities for both restoration and agriculture, and to develop a county plan. The results will be reported on before the legislature every long session.
- **[SB 1533-B](#) – Inclusionary Zoning and Construction Excise Tax:** As introduced, this bill proposed to lift the preemption on inclusionary zoning for new for sale and rental units. As amended, the bill would lift the preemption on city and county use of inclusionary zoning to require that up to 20% of units in multifamily housing developments of at least 20 units be sold or rented at affordable rates, if the jurisdiction also offers developers certain incentives. The amended bill also lifts the general preemption on new city and county authority to impose local construction excise taxes (which has been scheduled to sunset), subject to requirements to use the revenue for housing programs and incentives. In granting such authority, the preemption on new local construction excise taxes for purposes not specified in SB 1533 would no longer be subject to a sunset; the bill also does not lift the preemption for Metro to impose a new local construction excises tax.

- [SB 1573-A](#) – **Annexation / Borland Urban Reserve:** This bill specifies that if all property owners in an area within a UGB and contiguous to a city boundary petition the city for annexation, the annexation is not subject to voter-approval, if the area is or will be subject to the acknowledged comprehensive plan and the proposal conforms to all the other requirements of the city’s ordinances.
- [SB 1574-A](#) – **Greenhouse Gas Emissions Reduction Program:** This bill would require the Environmental Quality Commission to adopt new state goals for greenhouse gas emissions and create a carbon pollution market based on those goals.
- [SB 1598-A](#) – **Marijuana:** This legislation includes provisions that would clarify that both recreational and medical marijuana are a crop for purposes of “farm” and “farm use” in statute, and prohibit new dwellings, farm stands, and commercial uses in conjunction with marijuana on land designated for exclusive farm use. The bill also proposes to allow existing medical marijuana grow sites registered with the Oregon Health Authority of 5,000 square feet or less outdoors and 1,250 square feet or less indoors to be exempt from the Oregon Liquor Control Commission licensing requirement to obtain a land use compatibility statement.

The following bills have already died at the time of this report because they failed to meet deadlines for moving forward in the legislative process:

- [HB 4034](#) – **Black Carbon:** This bill proposed that LCDC develop and recommend best practices for local governments to pursue black carbon emissions reductions through mitigation of unplanned forest and rangeland fires outside UGBs. It also proposed to add black carbon to the matters to be covered by the Global Warming Commission (GWC) and directed the GWC to work with LCDC, DEQ and any other state agencies it deems appropriate to evaluate the negative impacts of black carbon.
- [HB 4055](#) – **Transportation Funding and Policy:** This bill proposed to increase transportation funding and modify the low carbon fuel standard. It also included a provision requiring LCDC to limit application of the Transportation Planning Rule to communities with a population of 20,000 or more.
- [SB 1548](#) – **Expedited UGB Expansions for Needed Housing:** This bill proposed to allow a local government to amend its UGB for needed housing if in the preceding year the number of new households had exceeded the number of new housing units and the average monthly vacancy rate equal to or less than six percent. This authorization allowed a city to make such a UGB amendment notwithstanding ORS 197.296, 197.298 and Goal 14.

- **[SB 1575](#) – Housing Omnibus:** This legislation proposed several housing provisions, including directing LCDC to adopt or amend statewide planning goals or rules to encourage an adequate supply of affordable housing, and granting LCDC authority to adopt rules expediting UGB expansions for affordable housing notwithstanding the presence of a 20-year supply of buildable lands or the priority factors under ORS 197.298. The bill also proposed allowing Metro to create up to five sub regions for analysis of UGB expansion and consideration of a permitted exception, as well as other provisions pertaining to inclusionary zoning, construction excise taxes, system development charges, local housing cost impact statements, and tax credits for developers of affordable housing.
- **[SB 1588](#) – Rural Counties Exemption from Statewide Planning Goals:** This bill proposed to allow a county with a population less than 50,000 and without population growth between 2000 and 2010, or a city mostly in such as county, to adopt a comprehensive plan and land use regulations that do not comply with statewide land use planning goals.