Oregon
Kate Brown, Governor

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To: The Honorable Senator Chris Edwards, Chair
Senate Committee on Environment and Natural Resources

From: Jim Rue, Director
Department of Land Conservation and Development

Regarding: Senate Bill 25

Senate Bill 25 would allow eight counties and all the cities within those counties, to amend their existing comprehensive plans and zoning ordinances in a manner that would no longer comply with Oregon's statewide land use planning goals. Currently, those counties would be Baker, Gilliam, Grant, Harney, Malheur, Sherman, Wallowa and Wheeler. The cities affected would include Baker City, Ontario, Burns, and Fossil, and possibly others. However, we note that at the next decennial census, other cities and counties could also be implicated under this bill, including coastal counties.[1] The stated intention of the bill is to retain and enhance the job base in rural counties by creating opportunities for business development, and to retain and facilitate expansion of existing businesses.

The department agrees with those objectives, and believe that the statewide land program and goals assist those objectives by:

- protecting the rural farm, forest and ranching land base, the most important industries in these counties;
- ensuring that federally required environmental regulation are met with state and local responses that meet those regulations and that integrates environmental needs with the needs of rural economies; and
- ensuring that good comprehensive planning, including well-supported economic analysis, paves the way for sufficient and serviceable jobs lands in rural areas.

The Department of Land Conservation and Development has several concerns with regard to Senate Bill 25. This department believes the most likely near-term result of this bill will be an increase in land divisions and dwellings on farm, forest and ranch land throughout these counties. These are the number one industries in these counties, and as such, unlimited dwellings and land divisions could have harmful impacts to local economies, both near and long-term. An increase in dwellings in private forestlands would have serious consequences to efforts to fight wildfires (and therefore budget implications to those agencies, districts and other entities

[1] If so, the loss of statewide goals related to beaches, dunes, estuaries would become "voluntary." This would most likely result in loss of federal funding provided to coastal counties under the federal coastal zone management act.

required to sort these issues out, and the department can only speculate at this time as to how the issues will be resolved. At a minimum, this bill needs to be redrafted to address this issue so that the legislature is clear as to their intent concerning this multiplicity of related statutory requirements.[2]

The preamble to the bill includes an assertion that business development in rural counties "does not necessarily require an urban level of services." We do not believe that the statewide planning goals in any manner require an "urban level of services" to lands in these counties except within cities. While "urban services" are not required outside of cities, jobs and businesses on rural lands must be served by sufficient transportation and other basic services. Exempting counties from statewide planning goals is not likely to have any positive effect toward ensuring these basic services are provided and maintained. However, inside urban areas, a sufficient level of "urban services" is absolutely essential to businesses. So it is of major concern that the bill might result in the elimination state requirements that the cities subject to this bill must plan for and provide such services.

DLC has not yet seen any analysis that supports the view that exempting a city or county from land use planning goals would have a positive impact on business development. We note that the counties that have "opted out" of the state of Washington's Growth Management Act have a slightly higher unemployment rate than the eight Oregon Counties subject to this bill.

In summary, the department is concerned about the economic well-being of rural counties in the state, and wants to continue to assist with many of the tools available while avoiding the unintended consequences that we see resulting from SB25.

Thank you for considering this testimony. If you have questions, please contact Carrie MacLaren, Deputy Director, at 503-373-0050 x 280), or Michael Morrissey, at 503-975-4004.

Copy: Richard Whitman, Governor's Office
Greg Macpherson, LCDC Chair