

**A-Engrossed**  
**House Bill 2449**

Ordered by the House April 13  
Including House Amendments dated April 13

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for State Department of Energy)

**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.

Extends sunset for tax credit for biomass collection or production. Provides that credit is allowed for delivery of biomass to biofuel producer. Adjusts credit rates to reflect current market conditions and energy content of types of biomass. Authorizes State Department of Energy to adjust credit rates annually. Applies to tax years beginning on or after January 1, 2016.

Creates tax credit for energy production by certain bioenergy facilities. Directs State Department of Energy to establish pilot program intended to facilitate transition to tax incentives allowed per unit of energy production from current system of incentives allowed per unit of biomass feedstock and to provide for evaluation of effectiveness of energy production-based incentives, including income tax credits, for certain bioenergy facilities. Applies to tax years beginning on or after January 1, 2016, and before January 1, 2022, and to energy production occurring on or after January 1, 2016, and before January 1, 2022.

Sunset pilot program on January 2, 2022.

Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to tax credits for bioenergy; creating new provisions; amending ORS 215.203, 215.213,  
3 215.283, 308A.056, 314.752, 315.053, 315.141, 315.144, 315.465, 318.031, 469B.250 and 469B.403 and  
4 section 6, chapter 739, Oregon Laws 2007; and prescribing an effective date.

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

6 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS chapter 315.**

7 **SECTION 2. As used in this section and ORS 315.141 and 469B.403:**

8 (1) "Agricultural producer" means a person that produces biomass in Oregon that is  
9 used, in Oregon, as biofuel or to produce biofuel.

10 (2) "Biofuel" means liquid, gaseous or solid fuels that are derived from biomass.

11 (3) "Biofuel producer" means a person that, through activities in Oregon:

12 (a) Alters the physical makeup of biomass to convert it into biofuel;

13 (b) Changes one biofuel into another type of biofuel; or

14 (c) Uses biomass in Oregon to produce energy.

15 (4)(a) "Biomass" means organic matter that is available on a renewable or recurring ba-  
16 sis and that is derived from:

17 (A) Agricultural residues;

18 (B) Crops grown solely to be used for energy;

19 (C) Food processing residues;

20 (D) Food wastes collected as provided under ORS chapter 459 or 459A;

21 (E) Offal and tallow from animal rendering;

**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 (F) Used cooking oil, or waste fats, oils and grease, derived from vegetable, plant or an-  
2 imal sources;

3 (G) Wastewater biosolids; or

4 (H) Woody biomass.

5 (b) "Biomass" does not mean wood that has been treated with creosote,  
6 pentachlorophenol, inorganic arsenic or other inorganic chemical compounds or waste, other  
7 than matter described in paragraph (a) of this subsection.

8 (5) "Biomass collector" means a person that collects biomass in Oregon to be used, in  
9 Oregon, as biofuel or to produce biofuel.

10 (6) "Canola" means plants of the genus Brassica:

11 (a) In which seeds having a high oil content are the primary economically valuable  
12 product; and

13 (b) That have a high erucic acid content suitable for industrial uses or a low erucic acid  
14 content suitable for edible oils.

15 (7) "Food processing residues" means organic wastes resulting from the transformation  
16 of plants or animals into food. "Food processing residues" does not include used cooking oil,  
17 waste grease, rendering offal, tallow, oilseeds or oilseed processing residue.

18 (8) "Oilseed processor" means a person that receives agricultural oilseeds and separates  
19 them into meal and oil by mechanical or chemical means.

20 (9) "Willamette Valley" means Clackamas, Linn, Marion, Multnomah, Polk, Washington  
21 and Yamhill Counties and the portion of Benton and Lane Counties lying east of the summit  
22 of the Coast Range.

23 (10)(a) "Woody biomass" means material from trees and woody plants, including limbs,  
24 tops, needles, leaves and other woody parts, grown in a forest, woodland, farm, rangeland  
25 or wildland-urban interface environment that is the by-product of forest management,  
26 ecosystem restoration or hazardous fuel reduction treatment.

27 (b) "Woody biomass" does not mean:

28 (A) Wood pieces that have been treated with creosote, pentachlorophenol, copper chrome  
29 arsenic or other chemical preservatives;

30 (B) Wood that must be retained under state or federal regulations;

31 (C) Wood required for large woody debris recruitment;

32 (D) Municipal solid waste; or

33 (E) By-products from a milling operation.

34 **SECTION 3.** ORS 315.141 is amended to read:

35 315.141. [(1) As used in this section:]

36 [(a) "Agricultural producer" means a person that produces biomass in Oregon that is used, in  
37 Oregon, as biofuel or to produce biofuel.]

38 [(b) "Biofuel" means liquid, gaseous or solid fuels, derived from biomass, that have been converted  
39 into a processed fuel ready for use as energy by a biofuel producer's customers or for direct biomass  
40 energy use at the biofuel producer's site.]

41 [(c) "Biofuel producer" means a person that through activities in Oregon:]

42 [(A) Alters the physical makeup of biomass to convert it into biofuel;]

43 [(B) Changes one biofuel into another type of biofuel; or]

44 [(C) Uses biomass in Oregon to produce energy.]

45 [(d) "Biomass" means organic matter that is available on a renewable or recurring basis and that

1 *is derived from:]*

2 [(A) *Forest or rangeland woody debris from harvesting or thinning conducted to improve forest or*  
3 *rangeland ecological health and reduce uncharacteristic stand replacing wildfire risk;]*

4 [(B) *Wood material from hardwood timber described in ORS 321.267 (3);]*

5 [(C) *Agricultural residues;]*

6 [(D) *Offal and tallow from animal rendering;]*

7 [(E) *Food wastes collected as provided under ORS chapter 459 or 459A;]*

8 [(F) *Wood debris collected as provided under ORS chapter 459 or 459A;]*

9 [(G) *Wastewater solids; or]*

10 [(H) *Crops grown solely to be used for energy.]*

11 [(e) *“Biomass” does not mean wood that has been treated with creosote, pentachlorophenol, inor-*  
12 *ganic arsenic or other inorganic chemical compounds or waste, other than matter described in para-*  
13 *graph (d) of this subsection.]*

14 [(f) *“Biomass collector” means a person that collects biomass in Oregon to be used, in Oregon, as*  
15 *biofuel or to produce biofuel.]*

16 [(g) *“Canola” means plants of the genus Brassica:]*

17 [(A) *In which seeds having a high oil content are the primary economically valuable product;*  
18 *and]*

19 [(B) *That have a high erucic acid content suitable for industrial uses or a low erucic acid content*  
20 *suitable for edible oils.]*

21 [(h) *“Oilseed processor” means a person that receives agricultural oilseeds and separates them into*  
22 *meal and oil by mechanical or chemical means.]*

23 [(i) *“Willamette Valley” means Clackamas, Linn, Marion, Multnomah, Polk, Washington and*  
24 *Yamhill Counties and the portion of Benton and Lane Counties lying east of the summit of the Coast*  
25 *Range.]*

26 [(2) *The Director of the State Department of Energy may adopt rules to define criteria, only as the*  
27 *criteria apply to organic biomass, to determine additional characteristics of biomass for purposes of this*  
28 *section.]*

29 [(3)(a) *An agricultural producer or biomass collector shall be allowed a credit against the taxes*  
30 *that would otherwise be due under ORS chapter 316 or, if the taxpayer is a corporation, under ORS*  
31 *chapter 317 or 318 for:]*

32 [(A) *The production of biomass in Oregon that is used, in Oregon, as biofuel or to produce biofuel;*  
33 *or]*

34 [(B) *The collection of biomass in Oregon that is used, in Oregon, as biofuel or to produce*  
35 *biofuel.]*

36 **(1)(a) A credit against the taxes otherwise due under ORS chapter 316 (or, if the taxpayer**  
37 **is a corporation, under ORS chapter 317 or 318) shall be allowed for the production or col-**  
38 **lection of biomass used in Oregon as biofuel or to produce biofuel in Oregon.**

39 (b) A credit under this section may be claimed in the tax year in which the credit is certified  
40 under subsection [(5)] (3) of this section.

41 (c) A [taxpayer may be allowed] **person may earn** a credit under this section for more than one  
42 of the roles defined in [subsection (1) of this section] **section 2 of this 2015 Act**, but a biofuel pro-  
43 ducer that is not also an agricultural producer or a biomass collector may not [claim] **earn** a credit  
44 under this section.

45 (d) A credit under this section may be claimed only once for each unit of biomass.

1       (e) **A credit may not be claimed under this section for biomass that has been used to**  
 2 **produce energy for which a credit is claimed under section 8 of this 2015 Act.**

3       [(e)] (f) Notwithstanding paragraph (a) of this subsection, a tax credit:

4       (A) Is not allowed for canola grown, collected or produced in the Willamette Valley; and

5       (B) Is not allowed for grain corn, but a tax credit shall be allowed for other corn material.

6       [(4)] (2) The amount of the credit shall equal the amount certified under subsection [(5)] (3) of  
 7 this section.

8       [(5)(a)] (3)(a) The State Department of Energy may *[establish by rule procedures and criteria for*  
 9 *determining the amount of the tax credit to be certified under this section, consistent with ORS*  
 10 *469B.403.]* **adopt rules to further define additional criteria or characteristics of biomass eli-**  
 11 **gible for the credit allowed under this section. The department may also adopt rules for**  
 12 **verification of the eligibility of biomass, biomass production, biomass collection and biofuel**  
 13 **production for purposes of the credit allowed under this section, consistent with ORS**  
 14 **469B.403.** The department shall **by rule establish policies and procedures for the certification**  
 15 **of credits under this section and shall** provide written certification to *[taxpayers]* **persons** that  
 16 are eligible to claim the credit under this section.

17       (b) *[The State Department of Energy may charge and collect a fee from taxpayers for certification*  
 18 *of credits under this section. The fee may not exceed the cost to the department of determining the*  
 19 *amount of certified cost]* **By rule and after hearing, the department shall adopt a schedule of**  
 20 **reasonable fees that the department may require of applicants for the administration of**  
 21 **credits under this section. Before adopting or revising the fees, the department shall esti-**  
 22 **mate the total cost of administration to the department. The fees must be used to recover**  
 23 **the anticipated cost of administering credits under this section, including filing, investigat-**  
 24 **ing, granting and rejecting applications for certification and ensuring compliance with this**  
 25 **section and ORS 315.144 and 469B.403 and section 2 of this 2015 Act, and may not exceed the**  
 26 **total cost estimated by the department. Any excess fees must be used by the department to**  
 27 **reduce any potential future fee increases.**

28       (c) The State Department of Energy shall provide to the Department of Revenue a list, by tax  
 29 year, of *[taxpayers]* **persons** for which a credit is certified under this section, upon request of the  
 30 Department of Revenue.

31       [(6)] (4) The amount of the credit claimed under this section for any tax year may not exceed  
 32 the tax liability of the taxpayer.

33       [(7)] (5) Each agricultural producer or biomass collector shall maintain the written documenta-  
 34 tion of the amount certified for tax credit under this section in its records for a period of at least  
 35 five years after the tax year *[in]* **for** which the credit is *[claimed]* **certified** and provide the written  
 36 documentation to the Department of Revenue upon request.

37       [(8)] (6) The credit shall be claimed on a form prescribed by the Department of Revenue that  
 38 contains the information required by the department.

39       [(9)] (7) Any tax credit otherwise allowable under this section that is not used by the taxpayer  
 40 in a particular tax year may be carried forward and offset against the taxpayer's tax liability for  
 41 the next succeeding tax year. Any credit remaining unused in the next succeeding tax year may be  
 42 carried forward and used in the second succeeding tax year, and likewise any credit not used in that  
 43 second succeeding tax year may be carried forward and used in the third succeeding tax year, and  
 44 any credit not used in that third succeeding tax year may be carried forward and used in the fourth  
 45 succeeding tax year, but may not be carried forward for any tax year thereafter.

1 [(10)] (8) In the case of a credit allowed under this section:

2 (a) A nonresident shall be allowed the credit under this section in the proportion provided in  
3 ORS 316.117.

4 (b) If a change in the status of the taxpayer from resident to nonresident or from nonresident  
5 to resident occurs, the credit allowed by this section shall be determined in a manner consistent  
6 with ORS 316.117.

7 (c) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085, or if the  
8 department terminates the taxpayer's taxable year under ORS 314.440, the credit allowed under this  
9 section shall be prorated or computed in a manner consistent with ORS 314.085.

10 **SECTION 4.** Section 6, chapter 739, Oregon Laws 2007, as amended by section 5, chapter 590,  
11 Oregon Laws 2007, section 18, chapter 913, Oregon Laws 2009, and section 2, chapter 730, Oregon  
12 Laws 2011, is amended to read:

13 **Sec. 6.** (1) ORS 315.141, 315.144 and [469.790] **469B.403** apply to tax credits for tax years be-  
14 ginning on or after January 1, 2007, and before January 1, [2018] **2022**.

15 (2) Notwithstanding subsection (1) of this section, a tax credit is not allowed for wheat grain  
16 (other than nongrain wheat material) for tax years beginning before January 1, 2009, or on or after  
17 January 1, [2018] **2022**.

18 **SECTION 5.** ORS 315.144 is amended to read:

19 315.144. (1) A person that has obtained a tax credit under ORS 315.141 may transfer the credit  
20 to a taxpayer subject to tax under ORS chapter 316, 317 or 318.

21 (2) A tax credit allowed under ORS 315.141 may be transferred on or before the date on which  
22 the return is due for the tax year in which the credit may first be claimed. After that date, no  
23 portion of a credit allowed under ORS 315.141 may be transferred.

24 (3) To transfer the tax credit, the [taxpayer earning] **person eligible for** the credit and the  
25 taxpayer that will claim the credit shall, on or before the date prescribed in subsection (2) of this  
26 section, jointly file a notice of tax credit transfer with the Department of Revenue. The notice shall  
27 be given on a form prescribed by the department that contains all of the following:

28 (a) The name and address of the transferor and transferee;

29 (b) The amount of the tax credit that is being transferred;

30 (c) The amount of the tax credit that is being retained by the transferor; and

31 (d) Any other information required by the department.

32 (4) The State Department of Energy may establish by rule a minimum discounted value of a tax  
33 credit under this section.

34 (5) The Department of Revenue, in consultation with the State Department of Energy, may by  
35 rule establish procedures for the transfer of tax credits provided by this section.

36 **SECTION 6.** ORS 469B.403 is amended to read:

37 469B.403. (1) To be eligible for the tax credit under ORS 315.141, the biomass must be produced  
38 or collected in Oregon as a feedstock for bioenergy or biofuel production in Oregon.

39 (2) **In order to apply for the tax credit under ORS 315.141, an agricultural producer or**  
40 **biomass collector must hold title to the eligible biomass at the time of delivery to a biofuel**  
41 **producer.**

42 (3) The credit rates for biomass are:

43 [(1)] (a) For oilseed crops, \$0.05 per pound.

44 [(2)] (b) For grain crops, including but not limited to wheat, barley and triticale, \$0.90 per  
45 bushel.

1       [(3)] (c) For virgin oil or alcohol delivered for production in Oregon from Oregon-based  
2 feedstock, \$0.10 per gallon.

3       **(d) For waste fats, oils other than used cooking oil, and grease, \$0.10 per gallon.**

4       [(4)] (e) For used cooking oil [*or waste grease, \$0.10*], **\$0.05** per gallon.

5       [(5)] (f) For wastewater biosolids, \$10.00 per wet ton.

6       [(6)] (g) For woody biomass collected from nursery, orchard, agricultural, forest or rangeland  
7 property in Oregon, including but not limited to prunings, thinning, plantation rotations, log landing  
8 or slash resulting from harvest or forest health stewardship, \$10.00 per bone dry ton.

9       [(7)] (h) For grass, wheat, straw or other [*vegetative biomass from agricultural crops*] **agricul-**  
10 **tural residues**, \$10.00 per bone dry ton.

11       **(i) For food processing residues, \$5.00 per wet ton.**

12       [(8) *For animal manure or rendering offal, \$5.00 per wet ton.*]

13       **(j) For animal manure, \$3.50 per wet ton.**

14       **(k) For food waste collected from residential, commercial or institutional sources, \$5.00**  
15 **per wet ton.**

16       **(L) For rendering offal or tallow, \$5.00 per wet ton.**

17       **(4) The State Department of Energy may adopt rules to adjust the credit rates provided**  
18 **under subsection (3)(a) to (i), (k) and (L) of this section. The department may adjust the**  
19 **credit rates only once in any calendar year, and an adjustment may not exceed 25 percent**  
20 **of the existing credit rate. A change in credit rates may apply only to tax years beginning**  
21 **on or after January 1, 2017, and later and may go into effect only for tax years beginning in**  
22 **the calendar year following the rulemaking proceeding that adjusted the credit rates. In ad-**  
23 **justing the credit rates under this subsection, the department must take into consideration**  
24 **market conditions for each feedstock including, but not limited to, processing and transpor-**  
25 **tation costs, technology advancements and alternative uses.**

26       **SECTION 7.** Sections 8 and 9 of this 2015 Act are added to and made a part of ORS  
27 chapter 315.

28       **SECTION 8.** (1) A credit against the taxes otherwise due under ORS chapter 316 (or, if  
29 the taxpayer is a corporation, under ORS chapter 317 or 318) shall be allowed for energy  
30 production by bioenergy facilities, as described in section 11 of this 2015 Act. A credit may  
31 not be claimed under this section for energy production utilizing biomass for which a credit  
32 is claimed under ORS 315.141.

33       (2) Prior to earning the credit under this section, an owner, operator or lessee of a  
34 bioenergy facility shall obtain written documentation of eligibility for the credit, and of the  
35 amount certified for the credit, from the State Department of Energy.

36       (3) The owner, operator or lessee of each bioenergy facility shall maintain the written  
37 documentation required under subsection (2) of this section in its records for a period of at  
38 least five years after the tax year for which the credit is certified and shall provide the  
39 written documentation to the Department of Revenue upon request.

40       (4) The credit shall be claimed on a form prescribed by the Department of Revenue that  
41 contains the information required by the department.

42       (5) By rule and after hearing, the State Department of Energy shall adopt a schedule of  
43 reasonable fees that the department may require of applicants for the administration of  
44 credits under this section. Before adopting or revising the fees, the department shall esti-  
45 mate the total cost of administration to the department. The fees must be used to recover

1 the anticipated cost of administering credits under this section, including filing, investigat-  
2 ing, granting and rejecting applications for certification and ensuring compliance with this  
3 section and section 9 of this 2015 Act, and may not exceed the total cost estimated by the  
4 department. Any excess fees must be used by the department to reduce any potential future  
5 fee increases.

6 (6) The State Department of Energy may enter into performance agreements with the  
7 owner, operator or lessee of each bioenergy facility to establish the terms and conditions,  
8 including but not limited to the applicable credit rates and requirements for feedstock, op-  
9 erations and reporting, under which credits will be allowed under this section.

10 (7) The State Department of Energy may enter into a performance agreement with a  
11 district, as defined in ORS 198.010, that is the owner, operator or lessee of a bioenergy fa-  
12 cility that has used feedstocks from agricultural producers that received certification for a  
13 tax credit under ORS 315.141 prior to the effective date of this 2015 Act. The performance  
14 agreement must establish the terms and conditions, including but not limited to the appli-  
15 cable credit rates and requirements for feedstock, operations and reporting, under which  
16 credits will be allowed under this section. An agreement established under this subsection  
17 is not subject to the eligibility requirements or selection criteria otherwise applicable under  
18 section 11 of this 2015 Act.

19 (8) Any tax credit otherwise allowable under this section that is not used by the taxpayer  
20 in a particular tax year may be carried forward and offset against the taxpayer's tax liability  
21 for the next succeeding tax year. Any credit remaining unused in the next succeeding tax  
22 year may be carried forward and used in the second succeeding tax year, and likewise any  
23 credit not used in that second succeeding tax year may be carried forward and used in the  
24 third succeeding tax year, and any credit not used in that third succeeding tax year may be  
25 carried forward and used in the fourth succeeding tax year, but may not be carried forward  
26 for any tax year thereafter.

27 (9) In the case of a credit allowed under this section:

28 (a) A nonresident shall be allowed the credit under this section in the proportion provided  
29 in ORS 316.117.

30 (b) If a change in the status of the taxpayer from resident to nonresident or from non-  
31 resident to resident occurs, the credit allowed by this section shall be determined in a man-  
32 ner consistent with ORS 316.117.

33 (c) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085,  
34 or if the department terminates the taxpayer's taxable year under ORS 314.440, the credit  
35 allowed under this section shall be prorated or computed in a manner consistent with ORS  
36 314.085.

37 **SECTION 9.** (1) An owner, operator or lessee of a bioenergy facility that has obtained a  
38 tax credit under section 8 of this 2015 Act may transfer the credit to a taxpayer subject to  
39 tax under ORS chapter 316, 317 or 318.

40 (2) A tax credit allowed under section 8 of this 2015 Act may be transferred on or before  
41 the date on which the return is due for the tax year in which the credit may first be claimed.  
42 After that date, no portion of a credit allowed under section 8 of this 2015 Act may be  
43 transferred.

44 (3) To transfer the tax credit, the owner, operator or lessee of the bioenergy facility eli-  
45 gible for the credit and the taxpayer that will claim the credit shall, on or before the date

1 prescribed in subsection (2) of this section, jointly file a notice of tax credit transfer with the  
2 Department of Revenue. The notice shall be given on a form prescribed by the department  
3 that contains all of the following:

- 4 (a) The name and address of the transferor and transferee;
- 5 (b) The amount of the tax credit that is being transferred;
- 6 (c) The amount of the tax credit that is being retained by the transferor; and
- 7 (d) Any other information required by the department.

8 (4) The State Department of Energy may establish by rule a minimum discounted value  
9 of a tax credit under this section.

10 (5) The Department of Revenue, in consultation with the State Department of Energy,  
11 may by rule establish procedures for the transfer of tax credits provided by this section.

12 **SECTION 10.** ORS 315.053 is amended to read:

13 315.053. An income tax credit allowed under ORS 315.141, 315.331, 315.336, 315.341 or 315.354  
14 or section 12, chapter 855, Oregon Laws 2007, or section 8 of this 2015 Act may be transferred or  
15 sold only to one or more of the following:

- 16 (1) A C corporation.
- 17 (2) An S corporation.
- 18 (3) A personal income taxpayer.

19 **SECTION 11.** (1) The State Department of Energy shall establish a pilot program intended  
20 to facilitate transition to tax incentives allowed per unit of energy production from the cur-  
21 rent system of incentives allowed per unit of biomass feedstock under ORS 315.141. During  
22 the pilot program the department shall evaluate the effectiveness of energy production-based  
23 incentives, including income tax credits, for bioenergy facilities. The goals of the pilot pro-  
24 gram are to:

25 (a) Support electrical energy production that utilizes woody biomass derived from forest  
26 health improvement projects;

27 (b) Support thermal energy production for space heating from woody biomass; and

28 (c) Support energy or transportation fuel production from biogas that utilizes animal  
29 manure, waste fats, oils or grease, food processing residues or food wastes from residential,  
30 commercial or institutional sources.

31 (2) As part of the pilot program, tax credits for energy production shall be allowed as  
32 provided in section 8 of this 2015 Act.

33 (3) The department shall adopt rules to establish the eligibility requirements, selection  
34 criteria and method for determining credit rates for the credit allowed under this section.  
35 The eligibility requirements and selection criteria may include the following factors:

- 36 (a) Amount of energy production.
- 37 (b) Contribution to state energy, natural resource and water management goals.
- 38 (c) Conversion efficiency.
- 39 (d) Geographic location.
- 40 (e) Jobs created or sustained.
- 41 (f) Reduction in greenhouse gas or other air emissions.
- 42 (g) Technology-specific energy production standards.

43 (h) Facility status as a new facility, a facility with expanded energy production capacity  
44 or a restarted or repowered facility following an idle period of at least two years.

45 (4) In determining credit rates that will be provided in a performance agreement, the

1 **department may include the following factors:**

2 (a) **Production costs per energy unit, including biomass production and collection costs.**

3 (b) **Monetary value per energy unit produced.**

4 **SECTION 12. Energy production for which credits are allowed under section 8 of this 2015**  
5 **Act may not exceed:**

6 (1) **For efficient electrical energy production from woody biomass collected from forest**  
7 **health improvement projects, the equivalent of 15 average annual megawatts of electricity**  
8 **production.**

9 (2) **For efficient thermal energy production from woody biomass, the equivalent of 100,000**  
10 **therms of annual thermal energy production.**

11 (3) **For biogas production from animal manure, waste fats, oils or grease, food processing**  
12 **residues or food wastes from residential, commercial or institutional sources, the equivalent**  
13 **of 650 million standard cubic feet of biogas.**

14 **SECTION 13. The total amount of tax credits certified under section 8 of this 2015 Act**  
15 **may not exceed:**

16 (1) **\$15 million for any biennium.**

17 (2) **\$3.75 million for the six months beginning July 1, 2021, and ending December 31, 2021.**

18 **SECTION 14. The State Department of Energy shall submit a report to an interim com-**  
19 **mittee of the Legislative Assembly related to revenue no later than January 1 of each odd-**  
20 **numbered year. The report must evaluate the effectiveness, for promoting bioenergy**  
21 **production, of the tax credit allowed under section 8 of this 2015 Act compared to tax credits**  
22 **allowed under ORS 315.141 or grants issued for renewable energy production systems under**  
23 **ORS 469B.256.**

24 **SECTION 15. (1) Section 2 of this 2015 Act and the amendments to ORS 315.141, 315.144**  
25 **and 469B.403 by sections 3, 5 and 6 of this 2015 Act apply to tax years beginning on or after**  
26 **January 1, 2016.**

27 (2) **Sections 8, 9, 11 and 12 of this 2015 Act and the amendments to ORS 315.053 by section**  
28 **10 of this 2015 Act apply to tax years beginning on or after January 1, 2016, and before Jan-**  
29 **uary 1, 2022, and to energy production occurring on or after January 1, 2016, and before**  
30 **January 1, 2022.**

31 **SECTION 16. Section 11 of this 2015 Act becomes operative on January 1, 2016.**

32 **SECTION 17. Section 11 of this 2015 Act is repealed on January 2, 2022.**

33 **SECTION 18. ORS 314.752 is amended to read:**

34 314.752. (1) **Except as provided in ORS 314.740 (5)(b), the tax credits allowed or allowable to a**  
35 **C corporation for purposes of ORS chapter 317 or 318 shall not be allowed to an S corporation. The**  
36 **business tax credits allowed or allowable for purposes of ORS chapter 316 shall be allowed or are**  
37 **allowable to the shareholders of the S corporation.**

38 (2) **In determining the tax imposed under ORS chapter 316, as provided under ORS 314.734, on**  
39 **income of the shareholder of an S corporation, there shall be taken into account the shareholder's**  
40 **pro rata share of business tax credit (or item thereof) that would be allowed to the corporation (but**  
41 **for subsection (1) of this section) or recapture or recovery thereof. The credit (or item thereof), re-**  
42 **capture or recovery shall be passed through to shareholders in pro rata shares as determined in the**  
43 **manner prescribed under section 1377(a) of the Internal Revenue Code.**

44 (3) **The character of any item included in a shareholder's pro rata share under subsection (2)**  
45 **of this section shall be determined as if such item were realized directly from the source from which**

1 realized by the corporation, or incurred in the same manner as incurred by the corporation.

2 (4) If the shareholder is a nonresident and there is a requirement applicable for the business tax  
3 credit that in the case of a nonresident the credit be allowed in the proportion provided in ORS  
4 316.117, then that provision shall apply to the nonresident shareholder.

5 (5) As used in this section, "business tax credit" means a tax credit granted to personal income  
6 taxpayers to encourage certain investment, to create employment, economic opportunity or incentive  
7 or for charitable, educational, scientific, literary or public purposes that is listed under this sub-  
8 section as a business tax credit or is designated as a business tax credit by law or by the Depart-  
9 ment of Revenue by rule and includes but is not limited to the following credits: ORS 285C.309  
10 (tribal taxes on reservation enterprise zones and reservation partnership zones), ORS 315.104 (fore-  
11 station and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways), ORS 315.141  
12 (biomass production for biofuel), ORS 315.156 (crop gleaning), ORS 315.164 and 315.169 (agriculture  
13 workforce housing), ORS 315.204 (dependent care assistance), ORS 315.208 (dependent care facili-  
14 ties), ORS 315.213 (contributions for child care), ORS 315.304 (pollution control facility), ORS 315.326  
15 (renewable energy development contributions), ORS 315.331 (energy conservation projects), ORS  
16 315.336 (transportation projects), ORS 315.341 (renewable energy resource equipment manufacturing  
17 facilities), ORS 315.354 and 469B.151 (energy conservation facilities), ORS 315.507 (electronic com-  
18 merce), ORS 315.533 (low income community jobs initiative) and ORS 317.115 (fueling stations nec-  
19 cessary to operate an alternative fuel vehicle) **and section 8 of this 2015 Act (bioenergy**  
20 **production).**

21 **SECTION 19.** ORS 318.031 is amended to read:

22 318.031. It being the intention of the Legislative Assembly that this chapter and ORS chapter  
23 317 shall be administered as uniformly as possible (allowance being made for the difference in im-  
24 position of the taxes), ORS 305.140 and 305.150, ORS chapter 314 and the following sections are in-  
25 corporated into and made a part of this chapter: ORS 285C.309, 315.104, 315.141, 315.156, 315.204,  
26 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.507 and 315.533 **and section 8 of this 2015**  
27 **Act** (all only to the extent applicable to a corporation) and ORS chapter 317.

28 **SECTION 20.** ORS 215.203 is amended to read:

29 215.203. (1) Zoning ordinances may be adopted to zone designated areas of land within the  
30 county as exclusive farm use zones. Land within such zones shall be used exclusively for farm use  
31 except as otherwise provided in ORS 215.213, 215.283 or 215.284. Farm use zones shall be established  
32 only when such zoning is consistent with the comprehensive plan.

33 (2)(a) As used in this section, "farm use" means the current employment of land for the primary  
34 purpose of obtaining a profit in money by raising, harvesting and selling crops or the feeding,  
35 breeding, management and sale of, or the produce of, livestock, poultry, fur-bearing animals or  
36 honeybees or for dairying and the sale of dairy products or any other agricultural or horticultural  
37 use or animal husbandry or any combination thereof. "Farm use" includes the preparation, storage  
38 and disposal by marketing or otherwise of the products or by-products raised on such land for hu-  
39 man or animal use. "Farm use" also includes the current employment of land for the primary pur-  
40 pose of obtaining a profit in money by stabling or training equines including but not limited to  
41 providing riding lessons, training clinics and schooling shows. "Farm use" also includes the propa-  
42 gation, cultivation, maintenance and harvesting of aquatic, bird and animal species that are under  
43 the jurisdiction of the State Fish and Wildlife Commission, to the extent allowed by the rules  
44 adopted by the commission. "Farm use" includes the on-site construction and maintenance of  
45 equipment and facilities used for the activities described in this subsection. "Farm use" does not

1 include the use of land subject to the provisions of ORS chapter 321, except land used exclusively  
2 for growing cultured Christmas trees as defined in subsection (3) of this section or land described  
3 in ORS 321.267 (3) or 321.824 (3).

4 (b) "Current employment" of land for farm use includes:

5 (A) Farmland, the operation or use of which is subject to any farm-related government program;

6 (B) Land lying fallow for one year as a normal and regular requirement of good agricultural  
7 husbandry;

8 (C) Land planted in orchards or other perennials, other than land specified in subparagraph (D)  
9 of this paragraph, prior to maturity;

10 (D) Land not in an exclusive farm use zone which has not been eligible for assessment at special  
11 farm use value in the year prior to planting the current crop and has been planted in orchards,  
12 cultured Christmas trees or vineyards for at least three years;

13 (E) Wasteland, in an exclusive farm use zone, dry or covered with water, neither economically  
14 tillable nor grazeable, lying in or adjacent to and in common ownership with a farm use land and  
15 which is not currently being used for any economic farm use;

16 (F) Except for land under a single family dwelling, land under buildings supporting accepted  
17 farm practices, including the processing facilities allowed by ORS 215.213 (1)(u) and 215.283 (1)(r)  
18 and the processing of farm crops into biofuel as commercial activities in conjunction with farm use  
19 under ORS 215.213 (2)(c) and 215.283 (2)(a);

20 (G) Water impoundments lying in or adjacent to and in common ownership with farm use land;

21 (H) Any land constituting a woodlot, not to exceed 20 acres, contiguous to and owned by the  
22 owner of land specially valued for farm use even if the land constituting the woodlot is not utilized  
23 in conjunction with farm use;

24 (I) Land lying idle for no more than one year where the absence of farming activity is due to  
25 the illness of the farmer or member of the farmer's immediate family. For purposes of this paragraph,  
26 illness includes injury or infirmity whether or not such illness results in death;

27 (J) Any land described under ORS 321.267 (3) or 321.824 (3); and

28 (K) Land used for the processing of farm crops into biofuel, as defined in [ORS 315.141] **section**  
29 **2 of this 2015 Act**, if:

30 (i) Only the crops of the landowner are being processed;

31 (ii) The biofuel from all of the crops purchased for processing into biofuel is used on the farm  
32 of the landowner; or

33 (iii) The landowner is custom processing crops into biofuel from other landowners in the area  
34 for their use or sale.

35 (c) As used in this subsection, "accepted farming practice" means a mode of operation that is  
36 common to farms of a similar nature, necessary for the operation of such farms to obtain a profit  
37 in money, and customarily utilized in conjunction with farm use.

38 (3) "Cultured Christmas trees" means trees:

39 (a) Grown on lands used exclusively for that purpose, capable of preparation by intensive culti-  
40 vation methods such as plowing or turning over the soil;

41 (b) Of a marketable species;

42 (c) Managed to produce trees meeting U.S. No. 2 or better standards for Christmas trees as  
43 specified by the Agriculture Marketing Services of the United States Department of Agriculture; and

44 (d) Evidencing periodic maintenance practices of shearing for Douglas fir and pine species, weed  
45 and brush control and one or more of the following practices: Basal pruning, fertilizing, insect and

1 disease control, stump culture, soil cultivation, irrigation.

2 **SECTION 21.** ORS 215.213 is amended to read:

3 215.213. (1) In counties that have adopted marginal lands provisions under ORS 197.247 (1991  
4 Edition), the following uses may be established in any area zoned for exclusive farm use:

5 (a) Churches and cemeteries in conjunction with churches.

6 (b) The propagation or harvesting of a forest product.

7 (c) Utility facilities necessary for public service, including wetland waste treatment systems but  
8 not including commercial facilities for the purpose of generating electrical power for public use by  
9 sale or transmission towers over 200 feet in height. A utility facility necessary for public service  
10 may be established as provided in:

11 (A) ORS 215.275; or

12 (B) If the utility facility is an associated transmission line, as defined in ORS 215.274 and  
13 469.300.

14 (d) A dwelling on real property used for farm use if the dwelling is occupied by a relative of the  
15 farm operator or the farm operator's spouse, which means a child, parent, stepparent, grandchild,  
16 grandparent, stepgrandparent, sibling, stepsibling, niece, nephew or first cousin of either, if the farm  
17 operator does or will require the assistance of the relative in the management of the farm use and  
18 the dwelling is located on the same lot or parcel as the dwelling of the farm operator.  
19 Notwithstanding ORS 92.010 to 92.192 or the minimum lot or parcel size requirements under ORS  
20 215.780, if the owner of a dwelling described in this paragraph obtains construction financing or  
21 other financing secured by the dwelling and the secured party forecloses on the dwelling, the se-  
22 cured party may also foreclose on the homesite, as defined in ORS 308A.250, and the foreclosure  
23 shall operate as a partition of the homesite to create a new parcel.

24 (e) Nonresidential buildings customarily provided in conjunction with farm use.

25 (f) Subject to ORS 215.279, primary or accessory dwellings customarily provided in conjunction  
26 with farm use. For a primary dwelling, the dwelling must be on a lot or parcel that is managed as  
27 part of a farm operation and is not smaller than the minimum lot size in a farm zone with a minimum  
28 lot size acknowledged under ORS 197.251.

29 (g) Operations for the exploration for and production of geothermal resources as defined by ORS  
30 522.005 and oil and gas as defined by ORS 520.005, including the placement and operation of  
31 compressors, separators and other customary production equipment for an individual well adjacent  
32 to the wellhead. Any activities or construction relating to such operations shall not be a basis for  
33 an exception under ORS 197.732 (2)(a) or (b).

34 (h) Operations for the exploration for minerals as defined by ORS 517.750. Any activities or  
35 construction relating to such operations shall not be a basis for an exception under ORS 197.732  
36 (2)(a) or (b).

37 (i) One manufactured dwelling or recreational vehicle, or the temporary residential use of an  
38 existing building, in conjunction with an existing dwelling as a temporary use for the term of a  
39 hardship suffered by the existing resident or a relative of the resident. Within three months of the  
40 end of the hardship, the manufactured dwelling or recreational vehicle shall be removed or demol-  
41 ished or, in the case of an existing building, the building shall be removed, demolished or returned  
42 to an allowed nonresidential use. The governing body or its designee shall provide for periodic re-  
43 view of the hardship claimed under this paragraph. A temporary residence approved under this  
44 paragraph is not eligible for replacement under paragraph (q) of this subsection.

45 (j) Climbing and passing lanes within the right of way existing as of July 1, 1987.

1 (k) Reconstruction or modification of public roads and highways, including the placement of  
2 utility facilities overhead and in the subsurface of public roads and highways along the public right  
3 of way, but not including the addition of travel lanes, where no removal or displacement of buildings  
4 would occur, or no new land parcels result.

5 (L) Temporary public road and highway detours that will be abandoned and restored to original  
6 condition or use at such time as no longer needed.

7 (m) Minor betterment of existing public road and highway related facilities, such as maintenance  
8 yards, weigh stations and rest areas, within right of way existing as of July 1, 1987, and contiguous  
9 public-owned property utilized to support the operation and maintenance of public roads and high-  
10 ways.

11 (n) A replacement dwelling to be used in conjunction with farm use if the existing dwelling has  
12 been listed in a county inventory as historic property as defined in ORS 358.480.

13 (o) Creation, restoration or enhancement of wetlands.

14 (p) A winery, as described in ORS 215.452 or 215.453.

15 (q) Subject to section 2, chapter 462, Oregon Laws 2013, alteration, restoration or replacement  
16 of a lawfully established dwelling.

17 (r) Farm stands if:

18 (A) The structures are designed and used for the sale of farm crops or livestock grown on the  
19 farm operation, or grown on the farm operation and other farm operations in the local agricultural  
20 area, including the sale of retail incidental items and fee-based activity to promote the sale of farm  
21 crops or livestock sold at the farm stand if the annual sale of incidental items and fees from pro-  
22 motional activity do not make up more than 25 percent of the total annual sales of the farm stand;  
23 and

24 (B) The farm stand does not include structures designed for occupancy as a residence or for  
25 activity other than the sale of farm crops or livestock and does not include structures for banquets,  
26 public gatherings or public entertainment.

27 (s) An armed forces reserve center, if the center is within one-half mile of a community college.  
28 For purposes of this paragraph, "armed forces reserve center" includes an armory or National  
29 Guard support facility.

30 (t) A site for the takeoff and landing of model aircraft, including such buildings or facilities as  
31 may reasonably be necessary. Buildings or facilities shall not be more than 500 square feet in floor  
32 area or placed on a permanent foundation unless the building or facility preexisted the use approved  
33 under this paragraph. The site shall not include an aggregate surface or hard surface area unless  
34 the surface preexisted the use approved under this paragraph. An owner of property used for the  
35 purpose authorized in this paragraph may charge a person operating the use on the property rent  
36 for the property. An operator may charge users of the property a fee that does not exceed the  
37 operator's cost to maintain the property, buildings and facilities. As used in this paragraph, "model  
38 aircraft" means a small-scale version of an airplane, glider, helicopter, dirigible or balloon that is  
39 used or intended to be used for flight and is controlled by radio, lines or design by a person on the  
40 ground.

41 (u) A facility for the processing of farm crops or for the production of biofuel, as defined in  
42 [ORS 315.141] **section 2 of this 2015 Act**, if the facility is located on a farm operation that provides  
43 at least one-quarter of the farm crops processed at the facility, or an establishment for the slaughter,  
44 processing or selling of poultry or poultry products pursuant to ORS 603.038. If a building is estab-  
45 lished or used for the processing facility or establishment, the farm operator may not devote more

1 than 10,000 square feet of floor area to the processing facility or establishment, exclusive of the  
2 floor area designated for preparation, storage or other farm use. A processing facility or establish-  
3 ment must comply with all applicable siting standards but the standards may not be applied in a  
4 manner that prohibits the siting of the processing facility or establishment.

5 (v) Fire service facilities providing rural fire protection services.

6 (w) Irrigation reservoirs, canals, delivery lines and those structures and accessory operational  
7 facilities, not including parks or other recreational structures and facilities, associated with a dis-  
8 trict as defined in ORS 540.505.

9 (x) Utility facility service lines. Utility facility service lines are utility lines and accessory fa-  
10 cilities or structures that end at the point where the utility service is received by the customer and  
11 that are located on one or more of the following:

12 (A) A public right of way;

13 (B) Land immediately adjacent to a public right of way, provided the written consent of all ad-  
14 jacent property owners has been obtained; or

15 (C) The property to be served by the utility.

16 (y) Subject to the issuance of a license, permit or other approval by the Department of Envi-  
17 ronmental Quality under ORS 454.695, 459.205, 468B.050, 468B.053 or 468B.055, or in compliance with  
18 rules adopted under ORS 468B.095, and as provided in ORS 215.246 to 215.251, the land application  
19 of reclaimed water, agricultural or industrial process water or biosolids for agricultural,  
20 horticultural or silvicultural production, or for irrigation in connection with a use allowed in an  
21 exclusive farm use zone under this chapter.

22 (z) Dog training classes or testing trials, which may be conducted outdoors or in preexisting  
23 farm buildings, when:

24 (A) The number of dogs participating in training does not exceed 10 dogs per training class and  
25 the number of training classes to be held on-site does not exceed six per day; and

26 (B) The number of dogs participating in a testing trial does not exceed 60 and the number of  
27 testing trials to be conducted on-site is limited to four or fewer trials per calendar year.

28 (2) In counties that have adopted marginal lands provisions under ORS 197.247 (1991 Edition),  
29 the following uses may be established in any area zoned for exclusive farm use subject to ORS  
30 215.296:

31 (a) A primary dwelling in conjunction with farm use or the propagation or harvesting of a forest  
32 product on a lot or parcel that is managed as part of a farm operation or woodlot if the farm op-  
33 eration or woodlot:

34 (A) Consists of 20 or more acres; and

35 (B) Is not smaller than the average farm or woodlot in the county producing at least \$2,500 in  
36 annual gross income from the crops, livestock or forest products to be raised on the farm operation  
37 or woodlot.

38 (b) A primary dwelling in conjunction with farm use or the propagation or harvesting of a forest  
39 product on a lot or parcel that is managed as part of a farm operation or woodlot smaller than re-  
40 quired under paragraph (a) of this subsection, if the lot or parcel:

41 (A) Has produced at least \$20,000 in annual gross farm income in two consecutive calendar  
42 years out of the three calendar years before the year in which the application for the dwelling was  
43 made or is planted in perennials capable of producing upon harvest an average of at least \$20,000  
44 in annual gross farm income; or

45 (B) Is a woodlot capable of producing an average over the growth cycle of \$20,000 in gross an-

1 nual income.

2 (c) Commercial activities that are in conjunction with farm use, including the processing of farm  
3 crops into biofuel not permitted under ORS 215.203 (2)(b)(K) or subsection (1)(u) of this section.

4 (d) Operations conducted for:

5 (A) Mining and processing of geothermal resources as defined by ORS 522.005 and oil and gas  
6 as defined by ORS 520.005, not otherwise permitted under subsection (1)(g) of this section;

7 (B) Mining, crushing or stockpiling of aggregate and other mineral and other subsurface re-  
8 sources subject to ORS 215.298;

9 (C) Processing, as defined by ORS 517.750, of aggregate into asphalt or portland cement; and

10 (D) Processing of other mineral resources and other subsurface resources.

11 (e) Community centers owned by a governmental agency or a nonprofit community organization  
12 and operated primarily by and for residents of the local rural community, hunting and fishing pre-  
13 serves, public and private parks, playgrounds and campgrounds. Subject to the approval of the  
14 county governing body or its designee, a private campground may provide yurts for overnight  
15 camping. No more than one-third or a maximum of 10 campsites, whichever is smaller, may include  
16 a yurt. The yurt shall be located on the ground or on a wood floor with no permanent foundation.  
17 Upon request of a county governing body, the Land Conservation and Development Commission may  
18 provide by rule for an increase in the number of yurts allowed on all or a portion of the  
19 campgrounds in a county if the commission determines that the increase will comply with the stan-  
20 dards described in ORS 215.296 (1). A public park or campground may be established as provided  
21 under ORS 195.120. As used in this paragraph, "yurt" means a round, domed shelter of cloth or  
22 canvas on a collapsible frame with no plumbing, sewage disposal hookup or internal cooking appli-  
23 ance.

24 (f) Golf courses on land determined not to be high-value farmland as defined in ORS 195.300.

25 (g) Commercial utility facilities for the purpose of generating power for public use by sale.

26 (h) Personal-use airports for airplanes and helicopter pads, including associated hangar, main-  
27 tenance and service facilities. A personal-use airport as used in this section means an airstrip re-  
28 stricted, except for aircraft emergencies, to use by the owner, and, on an infrequent and occasional  
29 basis, by invited guests, and by commercial aviation activities in connection with agricultural op-  
30 erations. No aircraft may be based on a personal-use airport other than those owned or controlled  
31 by the owner of the airstrip. Exceptions to the activities permitted under this definition may be  
32 granted through waiver action by the Oregon Department of Aviation in specific instances. A  
33 personal-use airport lawfully existing as of September 13, 1975, shall continue to be permitted sub-  
34 ject to any applicable rules of the Oregon Department of Aviation.

35 (i) A facility for the primary processing of forest products, provided that such facility is found  
36 to not seriously interfere with accepted farming practices and is compatible with farm uses de-  
37 scribed in ORS 215.203 (2). Such a facility may be approved for a one-year period which is  
38 renewable. These facilities are intended to be only portable or temporary in nature. The primary  
39 processing of a forest product, as used in this section, means the use of a portable chipper or stud  
40 mill or other similar methods of initial treatment of a forest product in order to enable its shipment  
41 to market. Forest products, as used in this section, means timber grown upon a parcel of land or  
42 contiguous land where the primary processing facility is located.

43 (j) A site for the disposal of solid waste approved by the governing body of a city or county or  
44 both and for which a permit has been granted under ORS 459.245 by the Department of Environ-  
45 mental Quality together with equipment, facilities or buildings necessary for its operation.

- 1 (k)(A) Commercial dog boarding kennels; or  
2 (B) Dog training classes or testing trials that cannot be established under subsection (1)(z) of  
3 this section.
- 4 (L) Residential homes as defined in ORS 197.660, in existing dwellings.
- 5 (m) The propagation, cultivation, maintenance and harvesting of aquatic species that are not  
6 under the jurisdiction of the State Fish and Wildlife Commission or insect species. Insect species  
7 shall not include any species under quarantine by the State Department of Agriculture or the United  
8 States Department of Agriculture. The county shall provide notice of all applications under this  
9 paragraph to the State Department of Agriculture. Notice shall be provided in accordance with the  
10 county's land use regulations but shall be mailed at least 20 calendar days prior to any administra-  
11 tive decision or initial public hearing on the application.
- 12 (n) Home occupations as provided in ORS 215.448.
- 13 (o) Transmission towers over 200 feet in height.
- 14 (p) Construction of additional passing and travel lanes requiring the acquisition of right of way  
15 but not resulting in the creation of new land parcels.
- 16 (q) Reconstruction or modification of public roads and highways involving the removal or dis-  
17 placement of buildings but not resulting in the creation of new land parcels.
- 18 (r) Improvement of public road and highway related facilities such as maintenance yards, weigh  
19 stations and rest areas, where additional property or right of way is required but not resulting in  
20 the creation of new land parcels.
- 21 (s) A destination resort that is approved consistent with the requirements of any statewide  
22 planning goal relating to the siting of a destination resort.
- 23 (t) Room and board arrangements for a maximum of five unrelated persons in existing resi-  
24 dences.
- 25 (u) A living history museum related to resource based activities owned and operated by a gov-  
26 ernmental agency or a local historical society, together with limited commercial activities and fa-  
27 cilities that are directly related to the use and enjoyment of the museum and located within  
28 authentic buildings of the depicted historic period or the museum administration building, if areas  
29 other than an exclusive farm use zone cannot accommodate the museum and related activities or if  
30 the museum administration buildings and parking lot are located within one quarter mile of the  
31 metropolitan urban growth boundary. As used in this paragraph:
- 32 (A) "Living history museum" means a facility designed to depict and interpret everyday life and  
33 culture of some specific historic period using authentic buildings, tools, equipment and people to  
34 simulate past activities and events; and
- 35 (B) "Local historical society" means the local historical society, recognized as such by the  
36 county governing body and organized under ORS chapter 65.
- 37 (v) Operations for the extraction and bottling of water.
- 38 (w) An aerial fireworks display business that has been in continuous operation at its current  
39 location within an exclusive farm use zone since December 31, 1986, and possesses a wholesaler's  
40 permit to sell or provide fireworks.
- 41 (x) A landscape contracting business, as defined in ORS 671.520, or a business providing land-  
42 scape architecture services, as described in ORS 671.318, if the business is pursued in conjunction  
43 with the growing and marketing of nursery stock on the land that constitutes farm use.
- 44 (y) Public or private schools for kindergarten through grade 12, including all buildings essential  
45 to the operation of a school, primarily for residents of the rural area in which the school is located.

1 (3) In counties that have adopted marginal lands provisions under ORS 197.247 (1991 Edition),  
2 a single-family residential dwelling not provided in conjunction with farm use may be established  
3 on a lot or parcel with soils predominantly in capability classes IV through VIII as determined by  
4 the Agricultural Capability Classification System in use by the United States Department of Agri-  
5 culture Soil Conservation Service on October 15, 1983. A proposed dwelling is subject to approval  
6 of the governing body or its designee in any area zoned for exclusive farm use upon written findings  
7 showing all of the following:

8 (a) The dwelling or activities associated with the dwelling will not force a significant change in  
9 or significantly increase the cost of accepted farming practices on nearby lands devoted to farm use.

10 (b) The dwelling is situated upon generally unsuitable land for the production of farm crops and  
11 livestock, considering the terrain, adverse soil or land conditions, drainage and flooding, location  
12 and size of the tract. A lot or parcel shall not be considered unsuitable solely because of its size  
13 or location if it can reasonably be put to farm use in conjunction with other land.

14 (c) Complies with such other conditions as the governing body or its designee considers neces-  
15 sary.

16 (4) In counties that have adopted marginal lands provisions under ORS 197.247 (1991 Edition),  
17 one single-family dwelling, not provided in conjunction with farm use, may be established in any  
18 area zoned for exclusive farm use on a lot or parcel described in subsection (7) of this section that  
19 is not larger than three acres upon written findings showing:

20 (a) The dwelling or activities associated with the dwelling will not force a significant change in  
21 or significantly increase the cost of accepted farming practices on nearby lands devoted to farm use;

22 (b) If the lot or parcel is located within the Willamette River Greenway, a floodplain or a  
23 geological hazard area, the dwelling complies with conditions imposed by local ordinances relating  
24 specifically to the Willamette River Greenway, floodplains or geological hazard areas, whichever is  
25 applicable; and

26 (c) The dwelling complies with other conditions considered necessary by the governing body or  
27 its designee.

28 (5) Upon receipt of an application for a permit under subsection (4) of this section, the governing  
29 body shall notify:

30 (a) Owners of land that is within 250 feet of the lot or parcel on which the dwelling will be es-  
31 tablished; and

32 (b) Persons who have requested notice of such applications and who have paid a reasonable fee  
33 imposed by the county to cover the cost of such notice.

34 (6) The notice required in subsection (5) of this section shall specify that persons have 15 days  
35 following the date of postmark of the notice to file a written objection on the grounds only that the  
36 dwelling or activities associated with it would force a significant change in or significantly increase  
37 the cost of accepted farming practices on nearby lands devoted to farm use. If no objection is re-  
38 ceived, the governing body or its designee shall approve or disapprove the application. If an ob-  
39 jection is received, the governing body shall set the matter for hearing in the manner prescribed in  
40 ORS 215.402 to 215.438. The governing body may charge the reasonable costs of the notice required  
41 by subsection (5)(a) of this section to the applicant for the permit requested under subsection (4) of  
42 this section.

43 (7) Subsection (4) of this section applies to a lot or parcel lawfully created between January 1,  
44 1948, and July 1, 1983. For the purposes of this section:

45 (a) Only one lot or parcel exists if:

1 (A) A lot or parcel described in this section is contiguous to one or more lots or parcels de-  
2 scribed in this section; and

3 (B) On July 1, 1983, greater than possessory interests are held in those contiguous lots, parcels  
4 or lots and parcels by the same person, spouses or a single partnership or business entity, separately  
5 or in tenancy in common.

6 (b) "Contiguous" means lots, parcels or lots and parcels that have a common boundary, including  
7 but not limited to, lots, parcels or lots and parcels separated only by a public road.

8 (8) A person who sells or otherwise transfers real property in an exclusive farm use zone may  
9 retain a life estate in a dwelling on that property and in a tract of land under and around the  
10 dwelling.

11 (9) No final approval of a nonfarm use under this section shall be given unless any additional  
12 taxes imposed upon the change in use have been paid.

13 (10) Roads, highways and other transportation facilities and improvements not allowed under  
14 subsections (1) and (2) of this section may be established, subject to the approval of the governing  
15 body or its designee, in areas zoned for exclusive farm use subject to:

16 (a) Adoption of an exception to the goal related to agricultural lands and to any other applicable  
17 goal with which the facility or improvement does not comply; or

18 (b) ORS 215.296 for those uses identified by rule of the Land Conservation and Development  
19 Commission as provided in section 3, chapter 529, Oregon Laws 1993.

20 (11) The following agri-tourism and other commercial events or activities that are related to and  
21 supportive of agriculture may be established in any area zoned for exclusive farm use:

22 (a) A county may authorize a single agri-tourism or other commercial event or activity on a  
23 tract in a calendar year by an authorization that is personal to the applicant and is not transferred  
24 by, or transferable with, a conveyance of the tract, if the agri-tourism or other commercial event  
25 or activity meets any local standards that apply and:

26 (A) The agri-tourism or other commercial event or activity is incidental and subordinate to ex-  
27 isting farm use on the tract;

28 (B) The duration of the agri-tourism or other commercial event or activity does not exceed 72  
29 consecutive hours;

30 (C) The maximum attendance at the agri-tourism or other commercial event or activity does not  
31 exceed 500 people;

32 (D) The maximum number of motor vehicles parked at the site of the agri-tourism or other  
33 commercial event or activity does not exceed 250 vehicles;

34 (E) The agri-tourism or other commercial event or activity complies with ORS 215.296;

35 (F) The agri-tourism or other commercial event or activity occurs outdoors, in temporary  
36 structures, or in existing permitted structures, subject to health and fire and life safety require-  
37 ments; and

38 (G) The agri-tourism or other commercial event or activity complies with conditions established  
39 for:

40 (i) Planned hours of operation;

41 (ii) Access, egress and parking;

42 (iii) A traffic management plan that identifies the projected number of vehicles and any antic-  
43 ipated use of public roads; and

44 (iv) Sanitation and solid waste.

45 (b) In the alternative to paragraphs (a) and (c) of this subsection, a county may authorize,

1 through an expedited, single-event license, a single agri-tourism or other commercial event or ac-  
2 tivity on a tract in a calendar year by an expedited, single-event license that is personal to the ap-  
3 plicant and is not transferred by, or transferable with, a conveyance of the tract. A decision  
4 concerning an expedited, single-event license is not a land use decision, as defined in ORS 197.015.  
5 To approve an expedited, single-event license, the governing body of a county or its designee must  
6 determine that the proposed agri-tourism or other commercial event or activity meets any local  
7 standards that apply, and the agri-tourism or other commercial event or activity:

8 (A) Must be incidental and subordinate to existing farm use on the tract;

9 (B) May not begin before 6 a.m. or end after 10 p.m.;

10 (C) May not involve more than 100 attendees or 50 vehicles;

11 (D) May not include the artificial amplification of music or voices before 8 a.m. or after 8 p.m.;

12 (E) May not require or involve the construction or use of a new permanent structure in con-  
13 nection with the agri-tourism or other commercial event or activity;

14 (F) Must be located on a tract of at least 10 acres unless the owners or residents of adjoining  
15 properties consent, in writing, to the location; and

16 (G) Must comply with applicable health and fire and life safety requirements.

17 (c) In the alternative to paragraphs (a) and (b) of this subsection, a county may authorize up to  
18 six agri-tourism or other commercial events or activities on a tract in a calendar year by a limited  
19 use permit that is personal to the applicant and is not transferred by, or transferable with, a  
20 conveyance of the tract. The agri-tourism or other commercial events or activities must meet any  
21 local standards that apply, and the agri-tourism or other commercial events or activities:

22 (A) Must be incidental and subordinate to existing farm use on the tract;

23 (B) May not, individually, exceed a duration of 72 consecutive hours;

24 (C) May not require that a new permanent structure be built, used or occupied in connection  
25 with the agri-tourism or other commercial events or activities;

26 (D) Must comply with ORS 215.296;

27 (E) May not, in combination with other agri-tourism or other commercial events or activities  
28 authorized in the area, materially alter the stability of the land use pattern in the area; and

29 (F) Must comply with conditions established for:

30 (i) The types of agri-tourism or other commercial events or activities that are authorized during  
31 each calendar year, including the number and duration of the agri-tourism or other commercial  
32 events and activities, the anticipated daily attendance and the hours of operation;

33 (ii) The location of existing structures and the location of proposed temporary structures to be  
34 used in connection with the agri-tourism or other commercial events or activities;

35 (iii) The location of access and egress and parking facilities to be used in connection with the  
36 agri-tourism or other commercial events or activities;

37 (iv) Traffic management, including the projected number of vehicles and any anticipated use of  
38 public roads; and

39 (v) Sanitation and solid waste.

40 (d) In addition to paragraphs (a) to (c) of this subsection, a county may authorize agri-tourism  
41 or other commercial events or activities that occur more frequently or for a longer period or that  
42 do not otherwise comply with paragraphs (a) to (c) of this subsection if the agri-tourism or other  
43 commercial events or activities comply with any local standards that apply and the agri-tourism or  
44 other commercial events or activities:

45 (A) Are incidental and subordinate to existing commercial farm use of the tract and are neces-

1 sary to support the commercial farm uses or the commercial agricultural enterprises in the area;

2 (B) Comply with the requirements of paragraph (c)(C), (D), (E) and (F) of this subsection;

3 (C) Occur on a lot or parcel that complies with the acknowledged minimum lot or parcel size;  
4 and

5 (D) Do not exceed 18 events or activities in a calendar year.

6 (12) A holder of a permit authorized by a county under subsection (11)(d) of this section must  
7 request review of the permit at four-year intervals. Upon receipt of a request for review, the county  
8 shall:

9 (a) Provide public notice and an opportunity for public comment as part of the review process;  
10 and

11 (b) Limit its review to events and activities authorized by the permit, conformance with condi-  
12 tions of approval required by the permit and the standards established by subsection (11)(d) of this  
13 section.

14 (13) For the purposes of subsection (11) of this section:

15 (a) A county may authorize the use of temporary structures established in connection with the  
16 agri-tourism or other commercial events or activities authorized under subsection (11) of this sec-  
17 tion. However, the temporary structures must be removed at the end of the agri-tourism or other  
18 event or activity. The county may not approve an alteration to the land in connection with an  
19 agri-tourism or other commercial event or activity authorized under subsection (11) of this section,  
20 including, but not limited to, grading, filling or paving.

21 (b) The county may issue the limited use permits authorized by subsection (11)(c) of this section  
22 for two calendar years. When considering an application for renewal, the county shall ensure com-  
23 pliance with the provisions of subsection (11)(c) of this section, any local standards that apply and  
24 conditions that apply to the permit or to the agri-tourism or other commercial events or activities  
25 authorized by the permit.

26 (c) The authorizations provided by subsection (11) of this section are in addition to other au-  
27 thorizations that may be provided by law, except that “outdoor mass gathering” and “other gather-  
28 ing,” as those terms are used in ORS 197.015 (10)(d), do not include agri-tourism or other commercial  
29 events and activities.

30 **SECTION 22.** ORS 215.213, as amended by section 7, chapter 462, Oregon Laws 2013, is  
31 amended to read:

32 215.213. (1) In counties that have adopted marginal lands provisions under ORS 197.247 (1991  
33 Edition), the following uses may be established in any area zoned for exclusive farm use:

34 (a) Churches and cemeteries in conjunction with churches.

35 (b) The propagation or harvesting of a forest product.

36 (c) Utility facilities necessary for public service, including wetland waste treatment systems but  
37 not including commercial facilities for the purpose of generating electrical power for public use by  
38 sale or transmission towers over 200 feet in height. A utility facility necessary for public service  
39 may be established as provided in:

40 (A) ORS 215.275; or

41 (B) If the utility facility is an associated transmission line, as defined in ORS 215.274 and  
42 469.300.

43 (d) A dwelling on real property used for farm use if the dwelling is occupied by a relative of the  
44 farm operator or the farm operator’s spouse, which means a child, parent, stepparent, grandchild,  
45 grandparent, stepgrandparent, sibling, stepsibling, niece, nephew or first cousin of either, if the farm

1 operator does or will require the assistance of the relative in the management of the farm use and  
2 the dwelling is located on the same lot or parcel as the dwelling of the farm operator.  
3 Notwithstanding ORS 92.010 to 92.192 or the minimum lot or parcel size requirements under ORS  
4 215.780, if the owner of a dwelling described in this paragraph obtains construction financing or  
5 other financing secured by the dwelling and the secured party forecloses on the dwelling, the se-  
6 cured party may also foreclose on the homesite, as defined in ORS 308A.250, and the foreclosure  
7 shall operate as a partition of the homesite to create a new parcel.

8 (e) Nonresidential buildings customarily provided in conjunction with farm use.

9 (f) Subject to ORS 215.279, primary or accessory dwellings customarily provided in conjunction  
10 with farm use. For a primary dwelling, the dwelling must be on a lot or parcel that is managed as  
11 part of a farm operation and is not smaller than the minimum lot size in a farm zone with a minimum  
12 lot size acknowledged under ORS 197.251.

13 (g) Operations for the exploration for and production of geothermal resources as defined by ORS  
14 522.005 and oil and gas as defined by ORS 520.005, including the placement and operation of  
15 compressors, separators and other customary production equipment for an individual well adjacent  
16 to the wellhead. Any activities or construction relating to such operations shall not be a basis for  
17 an exception under ORS 197.732 (2)(a) or (b).

18 (h) Operations for the exploration for minerals as defined by ORS 517.750. Any activities or  
19 construction relating to such operations shall not be a basis for an exception under ORS 197.732  
20 (2)(a) or (b).

21 (i) One manufactured dwelling or recreational vehicle, or the temporary residential use of an  
22 existing building, in conjunction with an existing dwelling as a temporary use for the term of a  
23 hardship suffered by the existing resident or a relative of the resident. Within three months of the  
24 end of the hardship, the manufactured dwelling or recreational vehicle shall be removed or demol-  
25 ished or, in the case of an existing building, the building shall be removed, demolished or returned  
26 to an allowed nonresidential use. The governing body or its designee shall provide for periodic re-  
27 view of the hardship claimed under this paragraph. A temporary residence approved under this  
28 paragraph is not eligible for replacement under paragraph (q) of this subsection.

29 (j) Climbing and passing lanes within the right of way existing as of July 1, 1987.

30 (k) Reconstruction or modification of public roads and highways, including the placement of  
31 utility facilities overhead and in the subsurface of public roads and highways along the public right  
32 of way, but not including the addition of travel lanes, where no removal or displacement of buildings  
33 would occur, or no new land parcels result.

34 (L) Temporary public road and highway detours that will be abandoned and restored to original  
35 condition or use at such time as no longer needed.

36 (m) Minor betterment of existing public road and highway related facilities, such as maintenance  
37 yards, weigh stations and rest areas, within right of way existing as of July 1, 1987, and contiguous  
38 public-owned property utilized to support the operation and maintenance of public roads and high-  
39 ways.

40 (n) A replacement dwelling to be used in conjunction with farm use if the existing dwelling has  
41 been listed in a county inventory as historic property as defined in ORS 358.480.

42 (o) Creation, restoration or enhancement of wetlands.

43 (p) A winery, as described in ORS 215.452 or 215.453.

44 (q) Alteration, restoration or replacement of a lawfully established dwelling that:

45 (A) Has intact exterior walls and roof structure;

1 (B) Has indoor plumbing consisting of a kitchen sink, toilet and bathing facilities connected to  
2 a sanitary waste disposal system;

3 (C) Has interior wiring for interior lights;

4 (D) Has a heating system; and

5 (E) In the case of replacement:

6 (i) Is removed, demolished or converted to an allowable nonresidential use within three months  
7 of the completion of the replacement dwelling. A replacement dwelling may be sited on any part of  
8 the same lot or parcel. A dwelling established under this paragraph shall comply with all applicable  
9 siting standards. However, the standards shall not be applied in a manner that prohibits the siting  
10 of the dwelling. If the dwelling to be replaced is located on a portion of the lot or parcel not zoned  
11 for exclusive farm use, the applicant, as a condition of approval, shall execute and record in the  
12 deed records for the county where the property is located a deed restriction prohibiting the siting  
13 of a dwelling on that portion of the lot or parcel. The restriction imposed shall be irrevocable unless  
14 a statement of release is placed in the deed records for the county. The release shall be signed by  
15 the county or its designee and state that the provisions of this paragraph regarding replacement  
16 dwellings have changed to allow the siting of another dwelling. The county planning director or the  
17 director's designee shall maintain a record of the lots and parcels that do not qualify for the siting  
18 of a new dwelling under the provisions of this paragraph, including a copy of the deed restrictions  
19 and release statements filed under this paragraph; and

20 (ii) For which the applicant has requested a deferred replacement permit, is removed or demol-  
21 ished within three months after the deferred replacement permit is issued. A deferred replacement  
22 permit allows construction of the replacement dwelling at any time. If, however, the established  
23 dwelling is not removed or demolished within three months after the deferred replacement permit  
24 is issued, the permit becomes void. The replacement dwelling must comply with applicable building  
25 codes, plumbing codes, sanitation codes and other requirements relating to health and safety or to  
26 siting at the time of construction. A deferred replacement permit may not be transferred, by sale  
27 or otherwise, except by the applicant to the spouse or a child of the applicant.

28 (r) Farm stands if:

29 (A) The structures are designed and used for the sale of farm crops or livestock grown on the  
30 farm operation, or grown on the farm operation and other farm operations in the local agricultural  
31 area, including the sale of retail incidental items and fee-based activity to promote the sale of farm  
32 crops or livestock sold at the farm stand if the annual sale of incidental items and fees from pro-  
33 motional activity do not make up more than 25 percent of the total annual sales of the farm stand;  
34 and

35 (B) The farm stand does not include structures designed for occupancy as a residence or for  
36 activity other than the sale of farm crops or livestock and does not include structures for banquets,  
37 public gatherings or public entertainment.

38 (s) An armed forces reserve center, if the center is within one-half mile of a community college.  
39 For purposes of this paragraph, "armed forces reserve center" includes an armory or National  
40 Guard support facility.

41 (t) A site for the takeoff and landing of model aircraft, including such buildings or facilities as  
42 may reasonably be necessary. Buildings or facilities shall not be more than 500 square feet in floor  
43 area or placed on a permanent foundation unless the building or facility preexisted the use approved  
44 under this paragraph. The site shall not include an aggregate surface or hard surface area unless  
45 the surface preexisted the use approved under this paragraph. An owner of property used for the

1 purpose authorized in this paragraph may charge a person operating the use on the property rent  
2 for the property. An operator may charge users of the property a fee that does not exceed the  
3 operator's cost to maintain the property, buildings and facilities. As used in this paragraph, "model  
4 aircraft" means a small-scale version of an airplane, glider, helicopter, dirigible or balloon that is  
5 used or intended to be used for flight and is controlled by radio, lines or design by a person on the  
6 ground.

7 (u) A facility for the processing of farm crops or for the production of biofuel, as defined in  
8 [ORS 315.141] **section 2 of this 2015 Act**, if the facility is located on a farm operation that provides  
9 at least one-quarter of the farm crops processed at the facility, or an establishment for the slaughter,  
10 processing or selling of poultry or poultry products pursuant to ORS 603.038. If a building is estab-  
11 lished or used for the processing facility or establishment, the farm operator may not devote more  
12 than 10,000 square feet of floor area to the processing facility or establishment, exclusive of the  
13 floor area designated for preparation, storage or other farm use. A processing facility or establish-  
14 ment must comply with all applicable siting standards but the standards may not be applied in a  
15 manner that prohibits the siting of the processing facility or establishment.

16 (v) Fire service facilities providing rural fire protection services.

17 (w) Irrigation reservoirs, canals, delivery lines and those structures and accessory operational  
18 facilities, not including parks or other recreational structures and facilities, associated with a dis-  
19 trict as defined in ORS 540.505.

20 (x) Utility facility service lines. Utility facility service lines are utility lines and accessory fa-  
21 cilities or structures that end at the point where the utility service is received by the customer and  
22 that are located on one or more of the following:

23 (A) A public right of way;

24 (B) Land immediately adjacent to a public right of way, provided the written consent of all ad-  
25 jacent property owners has been obtained; or

26 (C) The property to be served by the utility.

27 (y) Subject to the issuance of a license, permit or other approval by the Department of Envi-  
28 ronmental Quality under ORS 454.695, 459.205, 468B.050, 468B.053 or 468B.055, or in compliance with  
29 rules adopted under ORS 468B.095, and as provided in ORS 215.246 to 215.251, the land application  
30 of reclaimed water, agricultural or industrial process water or biosolids for agricultural,  
31 horticultural or silvicultural production, or for irrigation in connection with a use allowed in an  
32 exclusive farm use zone under this chapter.

33 (z) Dog training classes or testing trials, which may be conducted outdoors or in preexisting  
34 farm buildings, when:

35 (A) The number of dogs participating in training does not exceed 10 dogs per training class and  
36 the number of training classes to be held on-site does not exceed six per day; and

37 (B) The number of dogs participating in a testing trial does not exceed 60 and the number of  
38 testing trials to be conducted on-site is limited to four or fewer trials per calendar year.

39 (2) In counties that have adopted marginal lands provisions under ORS 197.247 (1991 Edition),  
40 the following uses may be established in any area zoned for exclusive farm use subject to ORS  
41 215.296:

42 (a) A primary dwelling in conjunction with farm use or the propagation or harvesting of a forest  
43 product on a lot or parcel that is managed as part of a farm operation or woodlot if the farm op-  
44 eration or woodlot:

45 (A) Consists of 20 or more acres; and

1 (B) Is not smaller than the average farm or woodlot in the county producing at least \$2,500 in  
2 annual gross income from the crops, livestock or forest products to be raised on the farm operation  
3 or woodlot.

4 (b) A primary dwelling in conjunction with farm use or the propagation or harvesting of a forest  
5 product on a lot or parcel that is managed as part of a farm operation or woodlot smaller than re-  
6 quired under paragraph (a) of this subsection, if the lot or parcel:

7 (A) Has produced at least \$20,000 in annual gross farm income in two consecutive calendar  
8 years out of the three calendar years before the year in which the application for the dwelling was  
9 made or is planted in perennials capable of producing upon harvest an average of at least \$20,000  
10 in annual gross farm income; or

11 (B) Is a woodlot capable of producing an average over the growth cycle of \$20,000 in gross an-  
12 nual income.

13 (c) Commercial activities that are in conjunction with farm use, including the processing of farm  
14 crops into biofuel not permitted under ORS 215.203 (2)(b)(K) or subsection (1)(u) of this section.

15 (d) Operations conducted for:

16 (A) Mining and processing of geothermal resources as defined by ORS 522.005 and oil and gas  
17 as defined by ORS 520.005, not otherwise permitted under subsection (1)(g) of this section;

18 (B) Mining, crushing or stockpiling of aggregate and other mineral and other subsurface re-  
19 sources subject to ORS 215.298;

20 (C) Processing, as defined by ORS 517.750, of aggregate into asphalt or portland cement; and

21 (D) Processing of other mineral resources and other subsurface resources.

22 (e) Community centers owned by a governmental agency or a nonprofit community organization  
23 and operated primarily by and for residents of the local rural community, hunting and fishing pre-  
24 serves, public and private parks, playgrounds and campgrounds. Subject to the approval of the  
25 county governing body or its designee, a private campground may provide yurts for overnight  
26 camping. No more than one-third or a maximum of 10 campsites, whichever is smaller, may include  
27 a yurt. The yurt shall be located on the ground or on a wood floor with no permanent foundation.  
28 Upon request of a county governing body, the Land Conservation and Development Commission may  
29 provide by rule for an increase in the number of yurts allowed on all or a portion of the  
30 campgrounds in a county if the commission determines that the increase will comply with the stan-  
31 dards described in ORS 215.296 (1). A public park or campground may be established as provided  
32 under ORS 195.120. As used in this paragraph, "yurt" means a round, domed shelter of cloth or  
33 canvas on a collapsible frame with no plumbing, sewage disposal hookup or internal cooking appli-  
34 ance.

35 (f) Golf courses on land determined not to be high-value farmland as defined in ORS 195.300.

36 (g) Commercial utility facilities for the purpose of generating power for public use by sale.

37 (h) Personal-use airports for airplanes and helicopter pads, including associated hangar, main-  
38 tenance and service facilities. A personal-use airport as used in this section means an airstrip re-  
39 stricted, except for aircraft emergencies, to use by the owner, and, on an infrequent and occasional  
40 basis, by invited guests, and by commercial aviation activities in connection with agricultural op-  
41 erations. No aircraft may be based on a personal-use airport other than those owned or controlled  
42 by the owner of the airstrip. Exceptions to the activities permitted under this definition may be  
43 granted through waiver action by the Oregon Department of Aviation in specific instances. A  
44 personal-use airport lawfully existing as of September 13, 1975, shall continue to be permitted sub-  
45 ject to any applicable rules of the Oregon Department of Aviation.

1 (i) A facility for the primary processing of forest products, provided that such facility is found  
2 to not seriously interfere with accepted farming practices and is compatible with farm uses de-  
3 scribed in ORS 215.203 (2). Such a facility may be approved for a one-year period which is  
4 renewable. These facilities are intended to be only portable or temporary in nature. The primary  
5 processing of a forest product, as used in this section, means the use of a portable chipper or stud  
6 mill or other similar methods of initial treatment of a forest product in order to enable its shipment  
7 to market. Forest products, as used in this section, means timber grown upon a parcel of land or  
8 contiguous land where the primary processing facility is located.

9 (j) A site for the disposal of solid waste approved by the governing body of a city or county or  
10 both and for which a permit has been granted under ORS 459.245 by the Department of Environ-  
11 mental Quality together with equipment, facilities or buildings necessary for its operation.

12 (k)(A) Commercial dog boarding kennels; or

13 (B) Dog training classes or testing trials that cannot be established under subsection (1)(z) of  
14 this section.

15 (L) Residential homes as defined in ORS 197.660, in existing dwellings.

16 (m) The propagation, cultivation, maintenance and harvesting of aquatic species that are not  
17 under the jurisdiction of the State Fish and Wildlife Commission or insect species. Insect species  
18 shall not include any species under quarantine by the State Department of Agriculture or the United  
19 States Department of Agriculture. The county shall provide notice of all applications under this  
20 paragraph to the State Department of Agriculture. Notice shall be provided in accordance with the  
21 county's land use regulations but shall be mailed at least 20 calendar days prior to any administra-  
22 tive decision or initial public hearing on the application.

23 (n) Home occupations as provided in ORS 215.448.

24 (o) Transmission towers over 200 feet in height.

25 (p) Construction of additional passing and travel lanes requiring the acquisition of right of way  
26 but not resulting in the creation of new land parcels.

27 (q) Reconstruction or modification of public roads and highways involving the removal or dis-  
28 placement of buildings but not resulting in the creation of new land parcels.

29 (r) Improvement of public road and highway related facilities such as maintenance yards, weigh  
30 stations and rest areas, where additional property or right of way is required but not resulting in  
31 the creation of new land parcels.

32 (s) A destination resort that is approved consistent with the requirements of any statewide  
33 planning goal relating to the siting of a destination resort.

34 (t) Room and board arrangements for a maximum of five unrelated persons in existing resi-  
35 dences.

36 (u) A living history museum related to resource based activities owned and operated by a gov-  
37 ernmental agency or a local historical society, together with limited commercial activities and fa-  
38 cilities that are directly related to the use and enjoyment of the museum and located within  
39 authentic buildings of the depicted historic period or the museum administration building, if areas  
40 other than an exclusive farm use zone cannot accommodate the museum and related activities or if  
41 the museum administration buildings and parking lot are located within one quarter mile of the  
42 metropolitan urban growth boundary. As used in this paragraph:

43 (A) "Living history museum" means a facility designed to depict and interpret everyday life and  
44 culture of some specific historic period using authentic buildings, tools, equipment and people to  
45 simulate past activities and events; and

1 (B) "Local historical society" means the local historical society, recognized as such by the  
2 county governing body and organized under ORS chapter 65.

3 (v) Operations for the extraction and bottling of water.

4 (w) An aerial fireworks display business that has been in continuous operation at its current  
5 location within an exclusive farm use zone since December 31, 1986, and possesses a wholesaler's  
6 permit to sell or provide fireworks.

7 (x) A landscape contracting business, as defined in ORS 671.520, or a business providing land-  
8 scape architecture services, as described in ORS 671.318, if the business is pursued in conjunction  
9 with the growing and marketing of nursery stock on the land that constitutes farm use.

10 (y) Public or private schools for kindergarten through grade 12, including all buildings essential  
11 to the operation of a school, primarily for residents of the rural area in which the school is located.

12 (3) In counties that have adopted marginal lands provisions under ORS 197.247 (1991 Edition),  
13 a single-family residential dwelling not provided in conjunction with farm use may be established  
14 on a lot or parcel with soils predominantly in capability classes IV through VIII as determined by  
15 the Agricultural Capability Classification System in use by the United States Department of Agri-  
16 culture Soil Conservation Service on October 15, 1983. A proposed dwelling is subject to approval  
17 of the governing body or its designee in any area zoned for exclusive farm use upon written findings  
18 showing all of the following:

19 (a) The dwelling or activities associated with the dwelling will not force a significant change in  
20 or significantly increase the cost of accepted farming practices on nearby lands devoted to farm use.

21 (b) The dwelling is situated upon generally unsuitable land for the production of farm crops and  
22 livestock, considering the terrain, adverse soil or land conditions, drainage and flooding, location  
23 and size of the tract. A lot or parcel shall not be considered unsuitable solely because of its size  
24 or location if it can reasonably be put to farm use in conjunction with other land.

25 (c) Complies with such other conditions as the governing body or its designee considers neces-  
26 sary.

27 (4) In counties that have adopted marginal lands provisions under ORS 197.247 (1991 Edition),  
28 one single-family dwelling, not provided in conjunction with farm use, may be established in any  
29 area zoned for exclusive farm use on a lot or parcel described in subsection (7) of this section that  
30 is not larger than three acres upon written findings showing:

31 (a) The dwelling or activities associated with the dwelling will not force a significant change in  
32 or significantly increase the cost of accepted farming practices on nearby lands devoted to farm use;

33 (b) If the lot or parcel is located within the Willamette River Greenway, a floodplain or a  
34 geological hazard area, the dwelling complies with conditions imposed by local ordinances relating  
35 specifically to the Willamette River Greenway, floodplains or geological hazard areas, whichever is  
36 applicable; and

37 (c) The dwelling complies with other conditions considered necessary by the governing body or  
38 its designee.

39 (5) Upon receipt of an application for a permit under subsection (4) of this section, the governing  
40 body shall notify:

41 (a) Owners of land that is within 250 feet of the lot or parcel on which the dwelling will be es-  
42 tablished; and

43 (b) Persons who have requested notice of such applications and who have paid a reasonable fee  
44 imposed by the county to cover the cost of such notice.

45 (6) The notice required in subsection (5) of this section shall specify that persons have 15 days

1 following the date of postmark of the notice to file a written objection on the grounds only that the  
2 dwelling or activities associated with it would force a significant change in or significantly increase  
3 the cost of accepted farming practices on nearby lands devoted to farm use. If no objection is re-  
4 ceived, the governing body or its designee shall approve or disapprove the application. If an ob-  
5 jection is received, the governing body shall set the matter for hearing in the manner prescribed in  
6 ORS 215.402 to 215.438. The governing body may charge the reasonable costs of the notice required  
7 by subsection (5)(a) of this section to the applicant for the permit requested under subsection (4) of  
8 this section.

9 (7) Subsection (4) of this section applies to a lot or parcel lawfully created between January 1,  
10 1948, and July 1, 1983. For the purposes of this section:

11 (a) Only one lot or parcel exists if:

12 (A) A lot or parcel described in this section is contiguous to one or more lots or parcels de-  
13 scribed in this section; and

14 (B) On July 1, 1983, greater than possessory interests are held in those contiguous lots, parcels  
15 or lots and parcels by the same person, spouses or a single partnership or business entity, separately  
16 or in tenancy in common.

17 (b) "Contiguous" means lots, parcels or lots and parcels that have a common boundary, including  
18 but not limited to, lots, parcels or lots and parcels separated only by a public road.

19 (8) A person who sells or otherwise transfers real property in an exclusive farm use zone may  
20 retain a life estate in a dwelling on that property and in a tract of land under and around the  
21 dwelling.

22 (9) No final approval of a nonfarm use under this section shall be given unless any additional  
23 taxes imposed upon the change in use have been paid.

24 (10) Roads, highways and other transportation facilities and improvements not allowed under  
25 subsections (1) and (2) of this section may be established, subject to the approval of the governing  
26 body or its designee, in areas zoned for exclusive farm use subject to:

27 (a) Adoption of an exception to the goal related to agricultural lands and to any other applicable  
28 goal with which the facility or improvement does not comply; or

29 (b) ORS 215.296 for those uses identified by rule of the Land Conservation and Development  
30 Commission as provided in section 3, chapter 529, Oregon Laws 1993.

31 (11) The following agri-tourism and other commercial events or activities that are related to and  
32 supportive of agriculture may be established in any area zoned for exclusive farm use:

33 (a) A county may authorize a single agri-tourism or other commercial event or activity on a  
34 tract in a calendar year by an authorization that is personal to the applicant and is not transferred  
35 by, or transferable with, a conveyance of the tract, if the agri-tourism or other commercial event  
36 or activity meets any local standards that apply and:

37 (A) The agri-tourism or other commercial event or activity is incidental and subordinate to ex-  
38 isting farm use on the tract;

39 (B) The duration of the agri-tourism or other commercial event or activity does not exceed 72  
40 consecutive hours;

41 (C) The maximum attendance at the agri-tourism or other commercial event or activity does not  
42 exceed 500 people;

43 (D) The maximum number of motor vehicles parked at the site of the agri-tourism or other  
44 commercial event or activity does not exceed 250 vehicles;

45 (E) The agri-tourism or other commercial event or activity complies with ORS 215.296;

1 (F) The agri-tourism or other commercial event or activity occurs outdoors, in temporary  
2 structures, or in existing permitted structures, subject to health and fire and life safety require-  
3 ments; and

4 (G) The agri-tourism or other commercial event or activity complies with conditions established  
5 for:

6 (i) Planned hours of operation;

7 (ii) Access, egress and parking;

8 (iii) A traffic management plan that identifies the projected number of vehicles and any antic-  
9 ipated use of public roads; and

10 (iv) Sanitation and solid waste.

11 (b) In the alternative to paragraphs (a) and (c) of this subsection, a county may authorize,  
12 through an expedited, single-event license, a single agri-tourism or other commercial event or ac-  
13 tivity on a tract in a calendar year by an expedited, single-event license that is personal to the ap-  
14 plicant and is not transferred by, or transferable with, a conveyance of the tract. A decision  
15 concerning an expedited, single-event license is not a land use decision, as defined in ORS 197.015.  
16 To approve an expedited, single-event license, the governing body of a county or its designee must  
17 determine that the proposed agri-tourism or other commercial event or activity meets any local  
18 standards that apply, and the agri-tourism or other commercial event or activity:

19 (A) Must be incidental and subordinate to existing farm use on the tract;

20 (B) May not begin before 6 a.m. or end after 10 p.m.;

21 (C) May not involve more than 100 attendees or 50 vehicles;

22 (D) May not include the artificial amplification of music or voices before 8 a.m. or after 8 p.m.;

23 (E) May not require or involve the construction or use of a new permanent structure in con-  
24 nection with the agri-tourism or other commercial event or activity;

25 (F) Must be located on a tract of at least 10 acres unless the owners or residents of adjoining  
26 properties consent, in writing, to the location; and

27 (G) Must comply with applicable health and fire and life safety requirements.

28 (c) In the alternative to paragraphs (a) and (b) of this subsection, a county may authorize up to  
29 six agri-tourism or other commercial events or activities on a tract in a calendar year by a limited  
30 use permit that is personal to the applicant and is not transferred by, or transferable with, a  
31 conveyance of the tract. The agri-tourism or other commercial events or activities must meet any  
32 local standards that apply, and the agri-tourism or other commercial events or activities:

33 (A) Must be incidental and subordinate to existing farm use on the tract;

34 (B) May not, individually, exceed a duration of 72 consecutive hours;

35 (C) May not require that a new permanent structure be built, used or occupied in connection  
36 with the agri-tourism or other commercial events or activities;

37 (D) Must comply with ORS 215.296;

38 (E) May not, in combination with other agri-tourism or other commercial events or activities  
39 authorized in the area, materially alter the stability of the land use pattern in the area; and

40 (F) Must comply with conditions established for:

41 (i) The types of agri-tourism or other commercial events or activities that are authorized during  
42 each calendar year, including the number and duration of the agri-tourism or other commercial  
43 events and activities, the anticipated daily attendance and the hours of operation;

44 (ii) The location of existing structures and the location of proposed temporary structures to be  
45 used in connection with the agri-tourism or other commercial events or activities;

1 (iii) The location of access and egress and parking facilities to be used in connection with the  
2 agri-tourism or other commercial events or activities;

3 (iv) Traffic management, including the projected number of vehicles and any anticipated use of  
4 public roads; and

5 (v) Sanitation and solid waste.

6 (d) In addition to paragraphs (a) to (c) of this subsection, a county may authorize agri-tourism  
7 or other commercial events or activities that occur more frequently or for a longer period or that  
8 do not otherwise comply with paragraphs (a) to (c) of this subsection if the agri-tourism or other  
9 commercial events or activities comply with any local standards that apply and the agri-tourism or  
10 other commercial events or activities:

11 (A) Are incidental and subordinate to existing commercial farm use of the tract and are neces-  
12 sary to support the commercial farm uses or the commercial agricultural enterprises in the area;

13 (B) Comply with the requirements of paragraph (c)(C), (D), (E) and (F) of this subsection;

14 (C) Occur on a lot or parcel that complies with the acknowledged minimum lot or parcel size;  
15 and

16 (D) Do not exceed 18 events or activities in a calendar year.

17 (12) A holder of a permit authorized by a county under subsection (11)(d) of this section must  
18 request review of the permit at four-year intervals. Upon receipt of a request for review, the county  
19 shall:

20 (a) Provide public notice and an opportunity for public comment as part of the review process;  
21 and

22 (b) Limit its review to events and activities authorized by the permit, conformance with condi-  
23 tions of approval required by the permit and the standards established by subsection (11)(d) of this  
24 section.

25 (13) For the purposes of subsection (11) of this section:

26 (a) A county may authorize the use of temporary structures established in connection with the  
27 agri-tourism or other commercial events or activities authorized under subsection (11) of this sec-  
28 tion. However, the temporary structures must be removed at the end of the agri-tourism or other  
29 event or activity. The county may not approve an alteration to the land in connection with an  
30 agri-tourism or other commercial event or activity authorized under subsection (11) of this section,  
31 including, but not limited to, grading, filling or paving.

32 (b) The county may issue the limited use permits authorized by subsection (11)(c) of this section  
33 for two calendar years. When considering an application for renewal, the county shall ensure com-  
34 pliance with the provisions of subsection (11)(c) of this section, any local standards that apply and  
35 conditions that apply to the permit or to the agri-tourism or other commercial events or activities  
36 authorized by the permit.

37 (c) The authorizations provided by subsection (11) of this section are in addition to other au-  
38 thorizations that may be provided by law, except that “outdoor mass gathering” and “other gather-  
39 ing,” as those terms are used in ORS 197.015 (10)(d), do not include agri-tourism or other commercial  
40 events and activities.

41 **SECTION 23.** ORS 215.283 is amended to read:

42 215.283. (1) The following uses may be established in any area zoned for exclusive farm use:

43 (a) Churches and cemeteries in conjunction with churches.

44 (b) The propagation or harvesting of a forest product.

45 (c) Utility facilities necessary for public service, including wetland waste treatment systems but

1 not including commercial facilities for the purpose of generating electrical power for public use by  
2 sale or transmission towers over 200 feet in height. A utility facility necessary for public service  
3 may be established as provided in:

4 (A) ORS 215.275; or

5 (B) If the utility facility is an associated transmission line, as defined in ORS 215.274 and  
6 469.300.

7 (d) A dwelling on real property used for farm use if the dwelling is occupied by a relative of the  
8 farm operator or the farm operator's spouse, which means a child, parent, stepparent, grandchild,  
9 grandparent, stepgrandparent, sibling, stepsibling, niece, nephew or first cousin of either, if the farm  
10 operator does or will require the assistance of the relative in the management of the farm use and  
11 the dwelling is located on the same lot or parcel as the dwelling of the farm operator.  
12 Notwithstanding ORS 92.010 to 92.192 or the minimum lot or parcel size requirements under ORS  
13 215.780, if the owner of a dwelling described in this paragraph obtains construction financing or  
14 other financing secured by the dwelling and the secured party forecloses on the dwelling, the se-  
15 cured party may also foreclose on the homesite, as defined in ORS 308A.250, and the foreclosure  
16 shall operate as a partition of the homesite to create a new parcel.

17 (e) Subject to ORS 215.279, primary or accessory dwellings and other buildings customarily  
18 provided in conjunction with farm use.

19 (f) Operations for the exploration for and production of geothermal resources as defined by ORS  
20 522.005 and oil and gas as defined by ORS 520.005, including the placement and operation of  
21 compressors, separators and other customary production equipment for an individual well adjacent  
22 to the wellhead. Any activities or construction relating to such operations shall not be a basis for  
23 an exception under ORS 197.732 (2)(a) or (b).

24 (g) Operations for the exploration for minerals as defined by ORS 517.750. Any activities or  
25 construction relating to such operations shall not be a basis for an exception under ORS 197.732  
26 (2)(a) or (b).

27 (h) Climbing and passing lanes within the right of way existing as of July 1, 1987.

28 (i) Reconstruction or modification of public roads and highways, including the placement of  
29 utility facilities overhead and in the subsurface of public roads and highways along the public right  
30 of way, but not including the addition of travel lanes, where no removal or displacement of buildings  
31 would occur, or no new land parcels result.

32 (j) Temporary public road and highway detours that will be abandoned and restored to original  
33 condition or use at such time as no longer needed.

34 (k) Minor betterment of existing public road and highway related facilities such as maintenance  
35 yards, weigh stations and rest areas, within right of way existing as of July 1, 1987, and contiguous  
36 public-owned property utilized to support the operation and maintenance of public roads and high-  
37 ways.

38 (L) A replacement dwelling to be used in conjunction with farm use if the existing dwelling has  
39 been listed in a county inventory as historic property as defined in ORS 358.480.

40 (m) Creation, restoration or enhancement of wetlands.

41 (n) A winery, as described in ORS 215.452 or 215.453.

42 (o) Farm stands if:

43 (A) The structures are designed and used for the sale of farm crops or livestock grown on the  
44 farm operation, or grown on the farm operation and other farm operations in the local agricultural  
45 area, including the sale of retail incidental items and fee-based activity to promote the sale of farm

1 crops or livestock sold at the farm stand if the annual sale of incidental items and fees from pro-  
2 motional activity do not make up more than 25 percent of the total annual sales of the farm stand;  
3 and

4 (B) The farm stand does not include structures designed for occupancy as a residence or for  
5 activity other than the sale of farm crops or livestock and does not include structures for banquets,  
6 public gatherings or public entertainment.

7 (p) Subject to section 2, chapter 462, Oregon Laws 2013, alteration, restoration or replacement  
8 of a lawfully established dwelling.

9 (q) A site for the takeoff and landing of model aircraft, including such buildings or facilities as  
10 may reasonably be necessary. Buildings or facilities shall not be more than 500 square feet in floor  
11 area or placed on a permanent foundation unless the building or facility preexisted the use approved  
12 under this paragraph. The site shall not include an aggregate surface or hard surface area unless  
13 the surface preexisted the use approved under this paragraph. An owner of property used for the  
14 purpose authorized in this paragraph may charge a person operating the use on the property rent  
15 for the property. An operator may charge users of the property a fee that does not exceed the  
16 operator's cost to maintain the property, buildings and facilities. As used in this paragraph, "model  
17 aircraft" means a small-scale version of an airplane, glider, helicopter, dirigible or balloon that is  
18 used or intended to be used for flight and is controlled by radio, lines or design by a person on the  
19 ground.

20 (r) A facility for the processing of farm crops or for the production of biofuel, as defined in [*ORS*  
21 *315.141*] **section 2 of this 2015 Act**, if the facility is located on a farm operation that provides at  
22 least one-quarter of the farm crops processed at the facility, or an establishment for the slaughter,  
23 processing or selling of poultry or poultry products pursuant to ORS 603.038. If a building is estab-  
24 lished or used for the processing facility or establishment, the farm operator may not devote more  
25 than 10,000 square feet of floor area to the processing facility or establishment, exclusive of the  
26 floor area designated for preparation, storage or other farm use. A processing facility or establish-  
27 ment must comply with all applicable siting standards but the standards may not be applied in a  
28 manner that prohibits the siting of the processing facility or establishment.

29 (s) Fire service facilities providing rural fire protection services.

30 (t) Irrigation reservoirs, canals, delivery lines and those structures and accessory operational  
31 facilities, not including parks or other recreational structures and facilities, associated with a dis-  
32 trict as defined in ORS 540.505.

33 (u) Utility facility service lines. Utility facility service lines are utility lines and accessory fa-  
34 cilities or structures that end at the point where the utility service is received by the customer and  
35 that are located on one or more of the following:

36 (A) A public right of way;

37 (B) Land immediately adjacent to a public right of way, provided the written consent of all ad-  
38 jacent property owners has been obtained; or

39 (C) The property to be served by the utility.

40 (v) Subject to the issuance of a license, permit or other approval by the Department of Envi-  
41 ronmental Quality under ORS 454.695, 459.205, 468B.050, 468B.053 or 468B.055, or in compliance with  
42 rules adopted under ORS 468B.095, and as provided in ORS 215.246 to 215.251, the land application  
43 of reclaimed water, agricultural or industrial process water or biosolids for agricultural,  
44 horticultural or silvicultural production, or for irrigation in connection with a use allowed in an  
45 exclusive farm use zone under this chapter.

1 (w) A county law enforcement facility that lawfully existed on August 20, 2002, and is used to  
2 provide rural law enforcement services primarily in rural areas, including parole and post-prison  
3 supervision, but not including a correctional facility as defined under ORS 162.135.

4 (x) Dog training classes or testing trials, which may be conducted outdoors or in preexisting  
5 farm buildings, when:

6 (A) The number of dogs participating in training does not exceed 10 dogs per training class and  
7 the number of training classes to be held on-site does not exceed six per day; and

8 (B) The number of dogs participating in a testing trial does not exceed 60 and the number of  
9 testing trials to be conducted on-site is limited to four or fewer trials per calendar year.

10 (2) The following nonfarm uses may be established, subject to the approval of the governing body  
11 or its designee in any area zoned for exclusive farm use subject to ORS 215.296:

12 (a) Commercial activities that are in conjunction with farm use, including the processing of farm  
13 crops into biofuel not permitted under ORS 215.203 (2)(b)(K) or subsection (1)(r) of this section.

14 (b) Operations conducted for:

15 (A) Mining and processing of geothermal resources as defined by ORS 522.005 and oil and gas  
16 as defined by ORS 520.005 not otherwise permitted under subsection (1)(f) of this section;

17 (B) Mining, crushing or stockpiling of aggregate and other mineral and other subsurface re-  
18 sources subject to ORS 215.298;

19 (C) Processing, as defined by ORS 517.750, of aggregate into asphalt or portland cement; and

20 (D) Processing of other mineral resources and other subsurface resources.

21 (c) Private parks, playgrounds, hunting and fishing preserves and campgrounds. Subject to the  
22 approval of the county governing body or its designee, a private campground may provide yurts for  
23 overnight camping. No more than one-third or a maximum of 10 campsites, whichever is smaller,  
24 may include a yurt. The yurt shall be located on the ground or on a wood floor with no permanent  
25 foundation. Upon request of a county governing body, the Land Conservation and Development  
26 Commission may provide by rule for an increase in the number of yurts allowed on all or a portion  
27 of the campgrounds in a county if the commission determines that the increase will comply with the  
28 standards described in ORS 215.296 (1). As used in this paragraph, "yurt" means a round, domed  
29 shelter of cloth or canvas on a collapsible frame with no plumbing, sewage disposal hookup or  
30 internal cooking appliance.

31 (d) Parks and playgrounds. A public park may be established consistent with the provisions of  
32 ORS 195.120.

33 (e) Community centers owned by a governmental agency or a nonprofit community organization  
34 and operated primarily by and for residents of the local rural community. A community center au-  
35 thorized under this paragraph may provide services to veterans, including but not limited to emer-  
36 gency and transitional shelter, preparation and service of meals, vocational and educational  
37 counseling and referral to local, state or federal agencies providing medical, mental health, disability  
38 income replacement and substance abuse services, only in a facility that is in existence on January  
39 1, 2006. The services may not include direct delivery of medical, mental health, disability income  
40 replacement or substance abuse services.

41 (f) Golf courses on land determined not to be high-value farmland, as defined in ORS 195.300.

42 (g) Commercial utility facilities for the purpose of generating power for public use by sale.

43 (h) Personal-use airports for airplanes and helicopter pads, including associated hangar, main-  
44 tenance and service facilities. A personal-use airport, as used in this section, means an airstrip re-  
45 stricted, except for aircraft emergencies, to use by the owner, and, on an infrequent and occasional

1 basis, by invited guests, and by commercial aviation activities in connection with agricultural op-  
2 erations. No aircraft may be based on a personal-use airport other than those owned or controlled  
3 by the owner of the airstrip. Exceptions to the activities permitted under this definition may be  
4 granted through waiver action by the Oregon Department of Aviation in specific instances. A  
5 personal-use airport lawfully existing as of September 13, 1975, shall continue to be permitted sub-  
6 ject to any applicable rules of the Oregon Department of Aviation.

7 (i) Home occupations as provided in ORS 215.448.

8 (j) A facility for the primary processing of forest products, provided that such facility is found  
9 to not seriously interfere with accepted farming practices and is compatible with farm uses de-  
10 scribed in ORS 215.203 (2). Such a facility may be approved for a one-year period which is  
11 renewable. These facilities are intended to be only portable or temporary in nature. The primary  
12 processing of a forest product, as used in this section, means the use of a portable chipper or stud  
13 mill or other similar methods of initial treatment of a forest product in order to enable its shipment  
14 to market. Forest products, as used in this section, means timber grown upon a parcel of land or  
15 contiguous land where the primary processing facility is located.

16 (k) A site for the disposal of solid waste approved by the governing body of a city or county or  
17 both and for which a permit has been granted under ORS 459.245 by the Department of Environ-  
18 mental Quality together with equipment, facilities or buildings necessary for its operation.

19 (L) One manufactured dwelling or recreational vehicle, or the temporary residential use of an  
20 existing building, in conjunction with an existing dwelling as a temporary use for the term of a  
21 hardship suffered by the existing resident or a relative of the resident. Within three months of the  
22 end of the hardship, the manufactured dwelling or recreational vehicle shall be removed or demol-  
23 ished or, in the case of an existing building, the building shall be removed, demolished or returned  
24 to an allowed nonresidential use. The governing body or its designee shall provide for periodic re-  
25 view of the hardship claimed under this paragraph. A temporary residence approved under this  
26 paragraph is not eligible for replacement under subsection (1)(p) of this section.

27 (m) Transmission towers over 200 feet in height.

28 (n)(A) Commercial dog boarding kennels; or

29 (B) Dog training classes or testing trials that cannot be established under subsection (1)(x) of  
30 this section.

31 (o) Residential homes as defined in ORS 197.660, in existing dwellings.

32 (p) The propagation, cultivation, maintenance and harvesting of aquatic species that are not  
33 under the jurisdiction of the State Fish and Wildlife Commission or insect species. Insect species  
34 shall not include any species under quarantine by the State Department of Agriculture or the United  
35 States Department of Agriculture. The county shall provide notice of all applications under this  
36 paragraph to the State Department of Agriculture. Notice shall be provided in accordance with the  
37 county's land use regulations but shall be mailed at least 20 calendar days prior to any administra-  
38 tive decision or initial public hearing on the application.

39 (q) Construction of additional passing and travel lanes requiring the acquisition of right of way  
40 but not resulting in the creation of new land parcels.

41 (r) Reconstruction or modification of public roads and highways involving the removal or dis-  
42 placement of buildings but not resulting in the creation of new land parcels.

43 (s) Improvement of public road and highway related facilities, such as maintenance yards, weigh  
44 stations and rest areas, where additional property or right of way is required but not resulting in  
45 the creation of new land parcels.

1 (t) A destination resort that is approved consistent with the requirements of any statewide  
2 planning goal relating to the siting of a destination resort.

3 (u) Room and board arrangements for a maximum of five unrelated persons in existing resi-  
4 dences.

5 (v) Operations for the extraction and bottling of water.

6 (w) Expansion of existing county fairgrounds and activities directly relating to county  
7 fairgrounds governed by county fair boards established pursuant to ORS 565.210.

8 (x) A living history museum related to resource based activities owned and operated by a gov-  
9 ernmental agency or a local historical society, together with limited commercial activities and fa-  
10 cilities that are directly related to the use and enjoyment of the museum and located within  
11 authentic buildings of the depicted historic period or the museum administration building, if areas  
12 other than an exclusive farm use zone cannot accommodate the museum and related activities or if  
13 the museum administration buildings and parking lot are located within one quarter mile of an ur-  
14 ban growth boundary. As used in this paragraph:

15 (A) "Living history museum" means a facility designed to depict and interpret everyday life and  
16 culture of some specific historic period using authentic buildings, tools, equipment and people to  
17 simulate past activities and events; and

18 (B) "Local historical society" means the local historical society recognized by the county gov-  
19 erning body and organized under ORS chapter 65.

20 (y) An aerial fireworks display business that has been in continuous operation at its current  
21 location within an exclusive farm use zone since December 31, 1986, and possesses a wholesaler's  
22 permit to sell or provide fireworks.

23 (z) A landscape contracting business, as defined in ORS 671.520, or a business providing land-  
24 scape architecture services, as described in ORS 671.318, if the business is pursued in conjunction  
25 with the growing and marketing of nursery stock on the land that constitutes farm use.

26 (aa) Public or private schools for kindergarten through grade 12, including all buildings essential  
27 to the operation of a school, primarily for residents of the rural area in which the school is located.

28 (3) Roads, highways and other transportation facilities and improvements not allowed under  
29 subsections (1) and (2) of this section may be established, subject to the approval of the governing  
30 body or its designee, in areas zoned for exclusive farm use subject to:

31 (a) Adoption of an exception to the goal related to agricultural lands and to any other applicable  
32 goal with which the facility or improvement does not comply; or

33 (b) ORS 215.296 for those uses identified by rule of the Land Conservation and Development  
34 Commission as provided in section 3, chapter 529, Oregon Laws 1993.

35 (4) The following agri-tourism and other commercial events or activities that are related to and  
36 supportive of agriculture may be established in any area zoned for exclusive farm use:

37 (a) A county may authorize a single agri-tourism or other commercial event or activity on a  
38 tract in a calendar year by an authorization that is personal to the applicant and is not transferred  
39 by, or transferable with, a conveyance of the tract, if the agri-tourism or other commercial event  
40 or activity meets any local standards that apply and:

41 (A) The agri-tourism or other commercial event or activity is incidental and subordinate to ex-  
42 isting farm use on the tract;

43 (B) The duration of the agri-tourism or other commercial event or activity does not exceed 72  
44 consecutive hours;

45 (C) The maximum attendance at the agri-tourism or other commercial event or activity does not

1 exceed 500 people;

2 (D) The maximum number of motor vehicles parked at the site of the agri-tourism or other  
3 commercial event or activity does not exceed 250 vehicles;

4 (E) The agri-tourism or other commercial event or activity complies with ORS 215.296;

5 (F) The agri-tourism or other commercial event or activity occurs outdoors, in temporary  
6 structures, or in existing permitted structures, subject to health and fire and life safety require-  
7 ments; and

8 (G) The agri-tourism or other commercial event or activity complies with conditions established  
9 for:

10 (i) Planned hours of operation;

11 (ii) Access, egress and parking;

12 (iii) A traffic management plan that identifies the projected number of vehicles and any antic-  
13 ipated use of public roads; and

14 (iv) Sanitation and solid waste.

15 (b) In the alternative to paragraphs (a) and (c) of this subsection, a county may authorize,  
16 through an expedited, single-event license, a single agri-tourism or other commercial event or ac-  
17 tivity on a tract in a calendar year by an expedited, single-event license that is personal to the ap-  
18 plicant and is not transferred by, or transferable with, a conveyance of the tract. A decision  
19 concerning an expedited, single-event license is not a land use decision, as defined in ORS 197.015.  
20 To approve an expedited, single-event license, the governing body of a county or its designee must  
21 determine that the proposed agri-tourism or other commercial event or activity meets any local  
22 standards that apply, and the agri-tourism or other commercial event or activity:

23 (A) Must be incidental and subordinate to existing farm use on the tract;

24 (B) May not begin before 6 a.m. or end after 10 p.m.;

25 (C) May not involve more than 100 attendees or 50 vehicles;

26 (D) May not include the artificial amplification of music or voices before 8 a.m. or after 8 p.m.;

27 (E) May not require or involve the construction or use of a new permanent structure in con-  
28 nection with the agri-tourism or other commercial event or activity;

29 (F) Must be located on a tract of at least 10 acres unless the owners or residents of adjoining  
30 properties consent, in writing, to the location; and

31 (G) Must comply with applicable health and fire and life safety requirements.

32 (c) In the alternative to paragraphs (a) and (b) of this subsection, a county may authorize up to  
33 six agri-tourism or other commercial events or activities on a tract in a calendar year by a limited  
34 use permit that is personal to the applicant and is not transferred by, or transferable with, a  
35 conveyance of the tract. The agri-tourism or other commercial events or activities must meet any  
36 local standards that apply, and the agri-tourism or other commercial events or activities:

37 (A) Must be incidental and subordinate to existing farm use on the tract;

38 (B) May not, individually, exceed a duration of 72 consecutive hours;

39 (C) May not require that a new permanent structure be built, used or occupied in connection  
40 with the agri-tourism or other commercial events or activities;

41 (D) Must comply with ORS 215.296;

42 (E) May not, in combination with other agri-tourism or other commercial events or activities  
43 authorized in the area, materially alter the stability of the land use pattern in the area; and

44 (F) Must comply with conditions established for:

45 (i) The types of agri-tourism or other commercial events or activities that are authorized during

1 each calendar year, including the number and duration of the agri-tourism or other commercial  
2 events and activities, the anticipated daily attendance and the hours of operation;

3 (ii) The location of existing structures and the location of proposed temporary structures to be  
4 used in connection with the agri-tourism or other commercial events or activities;

5 (iii) The location of access and egress and parking facilities to be used in connection with the  
6 agri-tourism or other commercial events or activities;

7 (iv) Traffic management, including the projected number of vehicles and any anticipated use of  
8 public roads; and

9 (v) Sanitation and solid waste.

10 (d) In addition to paragraphs (a) to (c) of this subsection, a county may authorize agri-tourism  
11 or other commercial events or activities that occur more frequently or for a longer period or that  
12 do not otherwise comply with paragraphs (a) to (c) of this subsection if the agri-tourism or other  
13 commercial events or activities comply with any local standards that apply and the agri-tourism or  
14 other commercial events or activities:

15 (A) Are incidental and subordinate to existing commercial farm use of the tract and are neces-  
16 sary to support the commercial farm uses or the commercial agricultural enterprises in the area;

17 (B) Comply with the requirements of paragraph (c)(C), (D), (E) and (F) of this subsection;

18 (C) Occur on a lot or parcel that complies with the acknowledged minimum lot or parcel size;  
19 and

20 (D) Do not exceed 18 events or activities in a calendar year.

21 (5) A holder of a permit authorized by a county under subsection (4)(d) of this section must re-  
22 quest review of the permit at four-year intervals. Upon receipt of a request for review, the county  
23 shall:

24 (a) Provide public notice and an opportunity for public comment as part of the review process;  
25 and

26 (b) Limit its review to events and activities authorized by the permit, conformance with condi-  
27 tions of approval required by the permit and the standards established by subsection (4)(d) of this  
28 section.

29 (6) For the purposes of subsection (4) of this section:

30 (a) A county may authorize the use of temporary structures established in connection with the  
31 agri-tourism or other commercial events or activities authorized under subsection (4) of this section.  
32 However, the temporary structures must be removed at the end of the agri-tourism or other event  
33 or activity. The county may not approve an alteration to the land in connection with an agri-tourism  
34 or other commercial event or activity authorized under subsection (4) of this section, including, but  
35 not limited to, grading, filling or paving.

36 (b) The county may issue the limited use permits authorized by subsection (4)(c) of this section  
37 for two calendar years. When considering an application for renewal, the county shall ensure com-  
38 pliance with the provisions of subsection (4)(c) of this section, any local standards that apply and  
39 conditions that apply to the permit or to the agri-tourism or other commercial events or activities  
40 authorized by the permit.

41 (c) The authorizations provided by subsection (4) of this section are in addition to other au-  
42 thorizations that may be provided by law, except that “outdoor mass gathering” and “other gather-  
43 ing,” as those terms are used in ORS 197.015 (10)(d), do not include agri-tourism or other commercial  
44 events and activities.

45 **SECTION 24.** ORS 215.283, as amended by section 8, chapter 462, Oregon Laws 2013, is

1 amended to read:

2 215.283. (1) The following uses may be established in any area zoned for exclusive farm use:

3 (a) Churches and cemeteries in conjunction with churches.

4 (b) The propagation or harvesting of a forest product.

5 (c) Utility facilities necessary for public service, including wetland waste treatment systems but  
6 not including commercial facilities for the purpose of generating electrical power for public use by  
7 sale or transmission towers over 200 feet in height. A utility facility necessary for public service  
8 may be established as provided in:

9 (A) ORS 215.275; or

10 (B) If the utility facility is an associated transmission line, as defined in ORS 215.274 and  
11 469.300.

12 (d) A dwelling on real property used for farm use if the dwelling is occupied by a relative of the  
13 farm operator or the farm operator's spouse, which means a child, parent, stepparent, grandchild,  
14 grandparent, stepgrandparent, sibling, stepsibling, niece, nephew or first cousin of either, if the farm  
15 operator does or will require the assistance of the relative in the management of the farm use and  
16 the dwelling is located on the same lot or parcel as the dwelling of the farm operator.  
17 Notwithstanding ORS 92.010 to 92.192 or the minimum lot or parcel size requirements under ORS  
18 215.780, if the owner of a dwelling described in this paragraph obtains construction financing or  
19 other financing secured by the dwelling and the secured party forecloses on the dwelling, the se-  
20 cured party may also foreclose on the homesite, as defined in ORS 308A.250, and the foreclosure  
21 shall operate as a partition of the homesite to create a new parcel.

22 (e) Subject to ORS 215.279, primary or accessory dwellings and other buildings customarily  
23 provided in conjunction with farm use.

24 (f) Operations for the exploration for and production of geothermal resources as defined by ORS  
25 522.005 and oil and gas as defined by ORS 520.005, including the placement and operation of  
26 compressors, separators and other customary production equipment for an individual well adjacent  
27 to the wellhead. Any activities or construction relating to such operations shall not be a basis for  
28 an exception under ORS 197.732 (2)(a) or (b).

29 (g) Operations for the exploration for minerals as defined by ORS 517.750. Any activities or  
30 construction relating to such operations shall not be a basis for an exception under ORS 197.732  
31 (2)(a) or (b).

32 (h) Climbing and passing lanes within the right of way existing as of July 1, 1987.

33 (i) Reconstruction or modification of public roads and highways, including the placement of  
34 utility facilities overhead and in the subsurface of public roads and highways along the public right  
35 of way, but not including the addition of travel lanes, where no removal or displacement of buildings  
36 would occur, or no new land parcels result.

37 (j) Temporary public road and highway detours that will be abandoned and restored to original  
38 condition or use at such time as no longer needed.

39 (k) Minor betterment of existing public road and highway related facilities such as maintenance  
40 yards, weigh stations and rest areas, within right of way existing as of July 1, 1987, and contiguous  
41 public-owned property utilized to support the operation and maintenance of public roads and high-  
42 ways.

43 (L) A replacement dwelling to be used in conjunction with farm use if the existing dwelling has  
44 been listed in a county inventory as historic property as defined in ORS 358.480.

45 (m) Creation, restoration or enhancement of wetlands.

1 (n) A winery, as described in ORS 215.452 or 215.453.

2 (o) Farm stands if:

3 (A) The structures are designed and used for the sale of farm crops or livestock grown on the  
4 farm operation, or grown on the farm operation and other farm operations in the local agricultural  
5 area, including the sale of retail incidental items and fee-based activity to promote the sale of farm  
6 crops or livestock sold at the farm stand if the annual sale of incidental items and fees from pro-  
7 motional activity do not make up more than 25 percent of the total annual sales of the farm stand;  
8 and

9 (B) The farm stand does not include structures designed for occupancy as a residence or for  
10 activity other than the sale of farm crops or livestock and does not include structures for banquets,  
11 public gatherings or public entertainment.

12 (p) Alteration, restoration or replacement of a lawfully established dwelling that:

13 (A) Has intact exterior walls and roof structure;

14 (B) Has indoor plumbing consisting of a kitchen sink, toilet and bathing facilities connected to  
15 a sanitary waste disposal system;

16 (C) Has interior wiring for interior lights;

17 (D) Has a heating system; and

18 (E) In the case of replacement:

19 (i) Is removed, demolished or converted to an allowable nonresidential use within three months  
20 of the completion of the replacement dwelling. A replacement dwelling may be sited on any part of  
21 the same lot or parcel. A dwelling established under this paragraph shall comply with all applicable  
22 siting standards. However, the standards shall not be applied in a manner that prohibits the siting  
23 of the dwelling. If the dwelling to be replaced is located on a portion of the lot or parcel not zoned  
24 for exclusive farm use, the applicant, as a condition of approval, shall execute and record in the  
25 deed records for the county where the property is located a deed restriction prohibiting the siting  
26 of a dwelling on that portion of the lot or parcel. The restriction imposed shall be irrevocable unless  
27 a statement of release is placed in the deed records for the county. The release shall be signed by  
28 the county or its designee and state that the provisions of this paragraph regarding replacement  
29 dwellings have changed to allow the siting of another dwelling. The county planning director or the  
30 director's designee shall maintain a record of the lots and parcels that do not qualify for the siting  
31 of a new dwelling under the provisions of this paragraph, including a copy of the deed restrictions  
32 and release statements filed under this paragraph; and

33 (ii) For which the applicant has requested a deferred replacement permit, is removed or demol-  
34 ished within three months after the deferred replacement permit is issued. A deferred replacement  
35 permit allows construction of the replacement dwelling at any time. If, however, the established  
36 dwelling is not removed or demolished within three months after the deferred replacement permit  
37 is issued, the permit becomes void. The replacement dwelling must comply with applicable building  
38 codes, plumbing codes, sanitation codes and other requirements relating to health and safety or to  
39 siting at the time of construction. A deferred replacement permit may not be transferred, by sale  
40 or otherwise, except by the applicant to the spouse or a child of the applicant.

41 (q) A site for the takeoff and landing of model aircraft, including such buildings or facilities as  
42 may reasonably be necessary. Buildings or facilities shall not be more than 500 square feet in floor  
43 area or placed on a permanent foundation unless the building or facility preexisted the use approved  
44 under this paragraph. The site shall not include an aggregate surface or hard surface area unless  
45 the surface preexisted the use approved under this paragraph. An owner of property used for the

1 purpose authorized in this paragraph may charge a person operating the use on the property rent  
 2 for the property. An operator may charge users of the property a fee that does not exceed the  
 3 operator's cost to maintain the property, buildings and facilities. As used in this paragraph, "model  
 4 aircraft" means a small-scale version of an airplane, glider, helicopter, dirigible or balloon that is  
 5 used or intended to be used for flight and is controlled by radio, lines or design by a person on the  
 6 ground.

7 (r) A facility for the processing of farm crops or for the production of biofuel, as defined in [ORS  
 8 315.141] **section 2 of this 2015 Act**, if the facility is located on a farm operation that provides at  
 9 least one-quarter of the farm crops processed at the facility, or an establishment for the slaughter,  
 10 processing or selling of poultry or poultry products pursuant to ORS 603.038. If a building is estab-  
 11 lished or used for the processing facility or establishment, the farm operator may not devote more  
 12 than 10,000 square feet of floor area to the processing facility or establishment, exclusive of the  
 13 floor area designated for preparation, storage or other farm use. A processing facility or establish-  
 14 ment must comply with all applicable siting standards but the standards may not be applied in a  
 15 manner that prohibits the siting of the processing facility or establishment.

16 (s) Fire service facilities providing rural fire protection services.

17 (t) Irrigation reservoirs, canals, delivery lines and those structures and accessory operational  
 18 facilities, not including parks or other recreational structures and facilities, associated with a dis-  
 19 trict as defined in ORS 540.505.

20 (u) Utility facility service lines. Utility facility service lines are utility lines and accessory fa-  
 21 cilities or structures that end at the point where the utility service is received by the customer and  
 22 that are located on one or more of the following:

23 (A) A public right of way;

24 (B) Land immediately adjacent to a public right of way, provided the written consent of all ad-  
 25 jacent property owners has been obtained; or

26 (C) The property to be served by the utility.

27 (v) Subject to the issuance of a license, permit or other approval by the Department of Envi-  
 28 ronmental Quality under ORS 454.695, 459.205, 468B.050, 468B.053 or 468B.055, or in compliance with  
 29 rules adopted under ORS 468B.095, and as provided in ORS 215.246 to 215.251, the land application  
 30 of reclaimed water, agricultural or industrial process water or biosolids for agricultural,  
 31 horticultural or silvicultural production, or for irrigation in connection with a use allowed in an  
 32 exclusive farm use zone under this chapter.

33 (w) A county law enforcement facility that lawfully existed on August 20, 2002, and is used to  
 34 provide rural law enforcement services primarily in rural areas, including parole and post-prison  
 35 supervision, but not including a correctional facility as defined under ORS 162.135.

36 (x) Dog training classes or testing trials, which may be conducted outdoors or in preexisting  
 37 farm buildings, when:

38 (A) The number of dogs participating in training does not exceed 10 dogs per training class and  
 39 the number of training classes to be held on-site does not exceed six per day; and

40 (B) The number of dogs participating in a testing trial does not exceed 60 and the number of  
 41 testing trials to be conducted on-site is limited to four or fewer trials per calendar year.

42 (2) The following nonfarm uses may be established, subject to the approval of the governing body  
 43 or its designee in any area zoned for exclusive farm use subject to ORS 215.296:

44 (a) Commercial activities that are in conjunction with farm use, including the processing of farm  
 45 crops into biofuel not permitted under ORS 215.203 (2)(b)(K) or subsection (1)(r) of this section.

1 (b) Operations conducted for:

2 (A) Mining and processing of geothermal resources as defined by ORS 522.005 and oil and gas  
3 as defined by ORS 520.005 not otherwise permitted under subsection (1)(f) of this section;

4 (B) Mining, crushing or stockpiling of aggregate and other mineral and other subsurface re-  
5 sources subject to ORS 215.298;

6 (C) Processing, as defined by ORS 517.750, of aggregate into asphalt or portland cement; and

7 (D) Processing of other mineral resources and other subsurface resources.

8 (c) Private parks, playgrounds, hunting and fishing preserves and campgrounds. Subject to the  
9 approval of the county governing body or its designee, a private campground may provide yurts for  
10 overnight camping. No more than one-third or a maximum of 10 campsites, whichever is smaller,  
11 may include a yurt. The yurt shall be located on the ground or on a wood floor with no permanent  
12 foundation. Upon request of a county governing body, the Land Conservation and Development  
13 Commission may provide by rule for an increase in the number of yurts allowed on all or a portion  
14 of the campgrounds in a county if the commission determines that the increase will comply with the  
15 standards described in ORS 215.296 (1). As used in this paragraph, "yurt" means a round, domed  
16 shelter of cloth or canvas on a collapsible frame with no plumbing, sewage disposal hookup or  
17 internal cooking appliance.

18 (d) Parks and playgrounds. A public park may be established consistent with the provisions of  
19 ORS 195.120.

20 (e) Community centers owned by a governmental agency or a nonprofit community organization  
21 and operated primarily by and for residents of the local rural community. A community center au-  
22 thorized under this paragraph may provide services to veterans, including but not limited to emer-  
23 gency and transitional shelter, preparation and service of meals, vocational and educational  
24 counseling and referral to local, state or federal agencies providing medical, mental health, disability  
25 income replacement and substance abuse services, only in a facility that is in existence on January  
26 1, 2006. The services may not include direct delivery of medical, mental health, disability income  
27 replacement or substance abuse services.

28 (f) Golf courses on land determined not to be high-value farmland, as defined in ORS 195.300.

29 (g) Commercial utility facilities for the purpose of generating power for public use by sale.

30 (h) Personal-use airports for airplanes and helicopter pads, including associated hangar, main-  
31 tenance and service facilities. A personal-use airport, as used in this section, means an airstrip re-  
32 stricted, except for aircraft emergencies, to use by the owner, and, on an infrequent and occasional  
33 basis, by invited guests, and by commercial aviation activities in connection with agricultural op-  
34 erations. No aircraft may be based on a personal-use airport other than those owned or controlled  
35 by the owner of the airstrip. Exceptions to the activities permitted under this definition may be  
36 granted through waiver action by the Oregon Department of Aviation in specific instances. A  
37 personal-use airport lawfully existing as of September 13, 1975, shall continue to be permitted sub-  
38 ject to any applicable rules of the Oregon Department of Aviation.

39 (i) Home occupations as provided in ORS 215.448.

40 (j) A facility for the primary processing of forest products, provided that such facility is found  
41 to not seriously interfere with accepted farming practices and is compatible with farm uses de-  
42 scribed in ORS 215.203 (2). Such a facility may be approved for a one-year period which is  
43 renewable. These facilities are intended to be only portable or temporary in nature. The primary  
44 processing of a forest product, as used in this section, means the use of a portable chipper or stud  
45 mill or other similar methods of initial treatment of a forest product in order to enable its shipment

1 to market. Forest products, as used in this section, means timber grown upon a parcel of land or  
2 contiguous land where the primary processing facility is located.

3 (k) A site for the disposal of solid waste approved by the governing body of a city or county or  
4 both and for which a permit has been granted under ORS 459.245 by the Department of Environ-  
5 mental Quality together with equipment, facilities or buildings necessary for its operation.

6 (L) One manufactured dwelling or recreational vehicle, or the temporary residential use of an  
7 existing building, in conjunction with an existing dwelling as a temporary use for the term of a  
8 hardship suffered by the existing resident or a relative of the resident. Within three months of the  
9 end of the hardship, the manufactured dwelling or recreational vehicle shall be removed or demol-  
10 ished or, in the case of an existing building, the building shall be removed, demolished or returned  
11 to an allowed nonresidential use. The governing body or its designee shall provide for periodic re-  
12 view of the hardship claimed under this paragraph. A temporary residence approved under this  
13 paragraph is not eligible for replacement under subsection (1)(p) of this section.

14 (m) Transmission towers over 200 feet in height.

15 (n)(A) Commercial dog boarding kennels; or

16 (B) Dog training classes or testing trials that cannot be established under subsection (1)(x) of  
17 this section.

18 (o) Residential homes as defined in ORS 197.660, in existing dwellings.

19 (p) The propagation, cultivation, maintenance and harvesting of aquatic species that are not  
20 under the jurisdiction of the State Fish and Wildlife Commission or insect species. Insect species  
21 shall not include any species under quarantine by the State Department of Agriculture or the United  
22 States Department of Agriculture. The county shall provide notice of all applications under this  
23 paragraph to the State Department of Agriculture. Notice shall be provided in accordance with the  
24 county's land use regulations but shall be mailed at least 20 calendar days prior to any administra-  
25 tive decision or initial public hearing on the application.

26 (q) Construction of additional passing and travel lanes requiring the acquisition of right of way  
27 but not resulting in the creation of new land parcels.

28 (r) Reconstruction or modification of public roads and highways involving the removal or dis-  
29 placement of buildings but not resulting in the creation of new land parcels.

30 (s) Improvement of public road and highway related facilities, such as maintenance yards, weigh  
31 stations and rest areas, where additional property or right of way is required but not resulting in  
32 the creation of new land parcels.

33 (t) A destination resort that is approved consistent with the requirements of any statewide  
34 planning goal relating to the siting of a destination resort.

35 (u) Room and board arrangements for a maximum of five unrelated persons in existing resi-  
36 dences.

37 (v) Operations for the extraction and bottling of water.

38 (w) Expansion of existing county fairgrounds and activities directly relating to county  
39 fairgrounds governed by county fair boards established pursuant to ORS 565.210.

40 (x) A living history museum related to resource based activities owned and operated by a gov-  
41 ernmental agency or a local historical society, together with limited commercial activities and fa-  
42 cilities that are directly related to the use and enjoyment of the museum and located within  
43 authentic buildings of the depicted historic period or the museum administration building, if areas  
44 other than an exclusive farm use zone cannot accommodate the museum and related activities or if  
45 the museum administration buildings and parking lot are located within one quarter mile of an ur-

1 ban growth boundary. As used in this paragraph:

2 (A) "Living history museum" means a facility designed to depict and interpret everyday life and  
3 culture of some specific historic period using authentic buildings, tools, equipment and people to  
4 simulate past activities and events; and

5 (B) "Local historical society" means the local historical society recognized by the county gov-  
6 erning body and organized under ORS chapter 65.

7 (y) An aerial fireworks display business that has been in continuous operation at its current  
8 location within an exclusive farm use zone since December 31, 1986, and possesses a wholesaler's  
9 permit to sell or provide fireworks.

10 (z) A landscape contracting business, as defined in ORS 671.520, or a business providing land-  
11 scape architecture services, as described in ORS 671.318, if the business is pursued in conjunction  
12 with the growing and marketing of nursery stock on the land that constitutes farm use.

13 (aa) Public or private schools for kindergarten through grade 12, including all buildings essential  
14 to the operation of a school, primarily for residents of the rural area in which the school is located.

15 (3) Roads, highways and other transportation facilities and improvements not allowed under  
16 subsections (1) and (2) of this section may be established, subject to the approval of the governing  
17 body or its designee, in areas zoned for exclusive farm use subject to:

18 (a) Adoption of an exception to the goal related to agricultural lands and to any other applicable  
19 goal with which the facility or improvement does not comply; or

20 (b) ORS 215.296 for those uses identified by rule of the Land Conservation and Development  
21 Commission as provided in section 3, chapter 529, Oregon Laws 1993.

22 (4) The following agri-tourism and other commercial events or activities that are related to and  
23 supportive of agriculture may be established in any area zoned for exclusive farm use:

24 (a) A county may authorize a single agri-tourism or other commercial event or activity on a  
25 tract in a calendar year by an authorization that is personal to the applicant and is not transferred  
26 by, or transferable with, a conveyance of the tract, if the agri-tourism or other commercial event  
27 or activity meets any local standards that apply and:

28 (A) The agri-tourism or other commercial event or activity is incidental and subordinate to ex-  
29 isting farm use on the tract;

30 (B) The duration of the agri-tourism or other commercial event or activity does not exceed 72  
31 consecutive hours;

32 (C) The maximum attendance at the agri-tourism or other commercial event or activity does not  
33 exceed 500 people;

34 (D) The maximum number of motor vehicles parked at the site of the agri-tourism or other  
35 commercial event or activity does not exceed 250 vehicles;

36 (E) The agri-tourism or other commercial event or activity complies with ORS 215.296;

37 (F) The agri-tourism or other commercial event or activity occurs outdoors, in temporary  
38 structures, or in existing permitted structures, subject to health and fire and life safety require-  
39 ments; and

40 (G) The agri-tourism or other commercial event or activity complies with conditions established  
41 for:

42 (i) Planned hours of operation;

43 (ii) Access, egress and parking;

44 (iii) A traffic management plan that identifies the projected number of vehicles and any antic-  
45 ipated use of public roads; and

1 (iv) Sanitation and solid waste.

2 (b) In the alternative to paragraphs (a) and (c) of this subsection, a county may authorize,  
3 through an expedited, single-event license, a single agri-tourism or other commercial event or ac-  
4 tivity on a tract in a calendar year by an expedited, single-event license that is personal to the ap-  
5 plicant and is not transferred by, or transferable with, a conveyance of the tract. A decision  
6 concerning an expedited, single-event license is not a land use decision, as defined in ORS 197.015.  
7 To approve an expedited, single-event license, the governing body of a county or its designee must  
8 determine that the proposed agri-tourism or other commercial event or activity meets any local  
9 standards that apply, and the agri-tourism or other commercial event or activity:

10 (A) Must be incidental and subordinate to existing farm use on the tract;

11 (B) May not begin before 6 a.m. or end after 10 p.m.;

12 (C) May not involve more than 100 attendees or 50 vehicles;

13 (D) May not include the artificial amplification of music or voices before 8 a.m. or after 8 p.m.;

14 (E) May not require or involve the construction or use of a new permanent structure in con-  
15 nection with the agri-tourism or other commercial event or activity;

16 (F) Must be located on a tract of at least 10 acres unless the owners or residents of adjoining  
17 properties consent, in writing, to the location; and

18 (G) Must comply with applicable health and fire and life safety requirements.

19 (c) In the alternative to paragraphs (a) and (b) of this subsection, a county may authorize up to  
20 six agri-tourism or other commercial events or activities on a tract in a calendar year by a limited  
21 use permit that is personal to the applicant and is not transferred by, or transferable with, a  
22 conveyance of the tract. The agri-tourism or other commercial events or activities must meet any  
23 local standards that apply, and the agri-tourism or other commercial events or activities:

24 (A) Must be incidental and subordinate to existing farm use on the tract;

25 (B) May not, individually, exceed a duration of 72 consecutive hours;

26 (C) May not require that a new permanent structure be built, used or occupied in connection  
27 with the agri-tourism or other commercial events or activities;

28 (D) Must comply with ORS 215.296;

29 (E) May not, in combination with other agri-tourism or other commercial events or activities  
30 authorized in the area, materially alter the stability of the land use pattern in the area; and

31 (F) Must comply with conditions established for:

32 (i) The types of agri-tourism or other commercial events or activities that are authorized during  
33 each calendar year, including the number and duration of the agri-tourism or other commercial  
34 events and activities, the anticipated daily attendance and the hours of operation;

35 (ii) The location of existing structures and the location of proposed temporary structures to be  
36 used in connection with the agri-tourism or other commercial events or activities;

37 (iii) The location of access and egress and parking facilities to be used in connection with the  
38 agri-tourism or other commercial events or activities;

39 (iv) Traffic management, including the projected number of vehicles and any anticipated use of  
40 public roads; and

41 (v) Sanitation and solid waste.

42 (d) In addition to paragraphs (a) to (c) of this subsection, a county may authorize agri-tourism  
43 or other commercial events or activities that occur more frequently or for a longer period or that  
44 do not otherwise comply with paragraphs (a) to (c) of this subsection if the agri-tourism or other  
45 commercial events or activities comply with any local standards that apply and the agri-tourism or

1 other commercial events or activities:

2 (A) Are incidental and subordinate to existing commercial farm use of the tract and are neces-  
3 sary to support the commercial farm uses or the commercial agricultural enterprises in the area;

4 (B) Comply with the requirements of paragraph (c)(C), (D), (E) and (F) of this subsection;

5 (C) Occur on a lot or parcel that complies with the acknowledged minimum lot or parcel size;  
6 and

7 (D) Do not exceed 18 events or activities in a calendar year.

8 (5) A holder of a permit authorized by a county under subsection (4)(d) of this section must re-  
9 quest review of the permit at four-year intervals. Upon receipt of a request for review, the county  
10 shall:

11 (a) Provide public notice and an opportunity for public comment as part of the review process;  
12 and

13 (b) Limit its review to events and activities authorized by the permit, conformance with condi-  
14 tions of approval required by the permit and the standards established by subsection (4)(d) of this  
15 section.

16 (6) For the purposes of subsection (4) of this section:

17 (a) A county may authorize the use of temporary structures established in connection with the  
18 agri-tourism or other commercial events or activities authorized under subsection (4) of this section.  
19 However, the temporary structures must be removed at the end of the agri-tourism or other event  
20 or activity. The county may not approve an alteration to the land in connection with an agri-tourism  
21 or other commercial event or activity authorized under subsection (4) of this section, including, but  
22 not limited to, grading, filling or paving.

23 (b) The county may issue the limited use permits authorized by subsection (4)(c) of this section  
24 for two calendar years. When considering an application for renewal, the county shall ensure com-  
25 pliance with the provisions of subsection (4)(c) of this section, any local standards that apply and  
26 conditions that apply to the permit or to the agri-tourism or other commercial events or activities  
27 authorized by the permit.

28 (c) The authorizations provided by subsection (4) of this section are in addition to other au-  
29 thorizations that may be provided by law, except that “outdoor mass gathering” and “other gather-  
30 ing,” as those terms are used in ORS 197.015 (10)(d), do not include agri-tourism or other commercial  
31 events and activities.

32 **SECTION 25.** ORS 308A.056 is amended to read:

33 308A.056. (1) As used in ORS 308A.050 to 308A.128, “farm use” means the current employment  
34 of land for the primary purpose of obtaining a profit in money by:

35 (a) Raising, harvesting and selling crops.

36 (b) Feeding, breeding, managing or selling livestock, poultry, fur-bearing animals or honeybees  
37 or the produce thereof.

38 (c) Dairying and selling dairy products.

39 (d) Stabling or training equines, including but not limited to providing riding lessons, training  
40 clinics and schooling shows.

41 (e) Propagating, cultivating, maintaining or harvesting aquatic species and bird and animal  
42 species to the extent allowed by the rules adopted by the State Fish and Wildlife Commission.

43 (f) On-site constructing and maintaining equipment and facilities used for the activities described  
44 in this subsection.

45 (g) Preparing, storing or disposing of, by marketing, donation to a local food bank or school or

1 otherwise, the products or by-products raised for human or animal use on land described in this  
2 section.

3 (h) Implementing a remediation plan previously presented to the assessor for the county in  
4 which the land that is the subject of the plan is located.

5 (i) Using land described in this section for any other agricultural or horticultural use or animal  
6 husbandry or any combination thereof.

7 (2) "Farm use" does not include the use of land subject to timber and forestland taxation under  
8 ORS chapter 321, except land used exclusively for growing cultured Christmas trees or land de-  
9 scribed in ORS 321.267 (3) or 321.824 (3) (relating to land used to grow certain hardwood timber,  
10 including hybrid cottonwood).

11 (3) For purposes of this section, land is currently employed for farm use if the land is:

12 (a) Farmland, the operation or use of which is subject to any farm-related government program;

13 (b) Land lying fallow for one year as a normal and regular requirement of good agricultural  
14 husbandry;

15 (c) Land planted in orchards or other perennials, other than land specified in paragraph (d) of  
16 this subsection, prior to maturity;

17 (d) Land not in an exclusive farm use zone that has not been eligible for assessment at special  
18 farm use value in the year prior to planting the current crop and has been planted in orchards,  
19 cultured Christmas trees or vineyards for at least three years;

20 (e) Wasteland, in an exclusive farm use zone, dry or covered with water, neither economically  
21 tillable nor grazeable, lying in or adjacent to and in common ownership with farm use land and that  
22 is not currently being used for any economic farm use;

23 (f) Except for land under a single family dwelling, land under buildings supporting accepted  
24 farming practices, including the processing facilities allowed by ORS 215.213 (1)(u) and 215.283 (1)(r)  
25 and the processing of farm crops into biofuel as commercial activities in conjunction with farm use  
26 under ORS 215.213 (2)(c) and 215.283 (2)(a);

27 (g) Water impoundments lying in or adjacent to and in common ownership with farm use land;

28 (h) Any land constituting a woodlot, not to exceed 20 acres, contiguous to and owned by the  
29 owner of land specially valued for farm use even if the land constituting the woodlot is not utilized  
30 in conjunction with farm use;

31 (i) Land lying idle for no more than one year when the absence of farming activity is the result  
32 of the illness of the farmer or a member of the farmer's immediate family, including injury or  
33 infirmity, regardless of whether the illness results in death;

34 (j) Land described under ORS 321.267 (3) or 321.824 (3) (relating to land used to grow certain  
35 hardwood timber, including hybrid cottonwood);

36 (k) Land subject to a remediation plan previously presented to the assessor for the county in  
37 which the land that is the subject of the plan is located; or

38 (L) Land used for the processing of farm crops into biofuel, as defined in [ORS 315.141] **section**  
39 **2 of this 2015 Act**, if:

40 (i) Only the crops of the landowner are being processed;

41 (ii) The biofuel from all of the crops purchased for processing into biofuel is used on the farm  
42 of the landowner; or

43 (iii) The landowner is custom processing crops into biofuel from other landowners in the area  
44 for their use or sale.

45 (4) As used in this section:

1 (a) "Accepted farming practice" means a mode of operation that is common to farms of a similar  
2 nature, necessary for the operation of these similar farms to obtain a profit in money and custom-  
3 arily utilized in conjunction with farm use.

4 (b) "Cultured Christmas trees" means trees:

5 (A) Grown on lands used exclusively for that purpose, capable of preparation by intensive cul-  
6 tivation methods such as plowing or turning over the soil;

7 (B) Of a marketable species;

8 (C) Managed to produce trees meeting U.S. No. 2 or better standards for Christmas trees as  
9 specified by the Agricultural Marketing Service of the United States Department of Agriculture; and

10 (D) Evidencing periodic maintenance practices of shearing for Douglas fir and pine species, weed  
11 and brush control and one or more of the following practices:

12 (i) Basal pruning;

13 (ii) Fertilizing;

14 (iii) Insect and disease control;

15 (iv) Stump culture;

16 (v) Soil cultivation; or

17 (vi) Irrigation.

18 **SECTION 26.** ORS 315.465 is amended to read:

19 315.465. (1) As used in this section and ORS 315.469:

20 (a) "Alternative fuel vehicle" means a motor vehicle that can operate on a fuel blend.

21 (b) "Biodiesel" has the meaning given that term in ORS 646.905.

22 (c) "Biomass" has the meaning given that term in [ORS 315.141] **section 2 of this 2015 Act.**

23 (d) "Bone dry ton" means matter that is dried to less than one percent moisture content and  
24 that weighs 2,000 pounds.

25 (e) "Fuel blend" means diesel fuel of blends equal to or exceeding 99 percent biodiesel or gaso-  
26 line of a blend equal to or exceeding 85 percent methanol or ethanol.

27 (2)(a) A resident individual shall be allowed a credit against the taxes otherwise due under ORS  
28 chapter 316 for costs paid or incurred to purchase fuel blends for use in an alternative fuel vehicle.

29 (b) A resident individual shall be allowed a credit against the taxes otherwise due under ORS  
30 chapter 316 for costs paid or incurred to purchase forest, rangeland or agriculture waste or residue  
31 densified and dried prepared solid biofuel that contains 100 percent biomass.

32 (3) The amount of the credit shall be calculated as follows:

33 (a) Determine the quantity of fuel blend or solid biofuel purchased by the taxpayer during the  
34 tax year;

35 (b) Categorize the fuel blend or solid biofuel as prescribed in rules adopted under ORS 469B.400;  
36 and

37 (c) Multiply the quantity of fuel blend or solid biofuel in a particular category by the appropri-  
38 ate credit rate for that category, expressed in dollars and cents.

39 (4) Notwithstanding subsection (3) of this section:

40 (a) The credit allowed under this section for diesel blended fuel is equal to \$0.50 per gallon and  
41 in any one tax year may not exceed \$200 per Oregon registered motor vehicle that is owned or  
42 leased by the taxpayer under a lease of greater than 30 days' duration and that is capable of using  
43 a fuel blend.

44 (b) The credit allowed for gasoline blended fuel is equal to \$0.50 per gallon and in any one tax  
45 year may not exceed \$200 per Oregon registered motor vehicle that is owned or leased by the tax-

1 payer under a lease of greater than 30 days' duration and that is capable of using a fuel blend.

2 (c) The credit allowed for forest, rangeland or agriculture waste or residue densified and dried  
3 prepared solid biofuel is equal to \$10 per bone dry ton of solid biofuel and in any one tax year may  
4 not exceed \$200 per taxpayer.

5 (d) The credit allowed in any one tax year may not exceed the tax liability of the taxpayer and  
6 may not be carried forward to a subsequent tax year.

7 (5) For each tax year for which a credit is claimed under this section, the taxpayer shall main-  
8 tain records sufficient to determine the taxpayer's purchase of qualifying fuel blends. A taxpayer  
9 shall maintain the records required under this subsection for at least five years.

10 (6) A nonresident shall be allowed the credit under this section in the proportion provided in  
11 ORS 316.117.

12 (7) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the  
13 Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the credit al-  
14 lowed by this section shall be prorated or computed in a manner consistent with ORS 314.085.

15 (8) If a change in the status of a taxpayer from resident to nonresident or from nonresident to  
16 resident occurs, the credit allowed by this section shall be determined in a manner consistent with  
17 ORS 316.117.

18 (9) A husband and wife who file separate returns for a taxable year may each claim a share of  
19 the tax credit that would have been allowed on a joint return in proportion to the contribution of  
20 each.

21 **SECTION 27.** ORS 469B.250 is amended to read:

22 469B.250. As used in ORS 469B.250 to 469B.265:

23 (1) "Biomass" has the meaning given that term in [ORS 315.141] **section 2 of this 2015 Act.**

24 (2) "Cost" means the actual cost of the acquisition, construction and installation of the  
25 renewable energy production system paid by the applicant for the system, before considering utility  
26 incentives.

27 (3) "Renewable energy production system" means a system that uses biomass, solar, geothermal,  
28 hydroelectric, wind, landfill gas, biogas or wave, tidal or ocean thermal energy technology to  
29 produce energy.

30 (4) "Solar technology" means any system, mechanism or series of mechanisms, including  
31 photovoltaic systems, that uses solar radiation to generate electrical energy.

32 **SECTION 28. This 2015 Act takes effect on the 91st day after the date on which the 2015**  
33 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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