From:	RR + SR
To:	Exhibits HAGLU
Cc:	OCVA Board
Subject:	HB 2577 is a simple “housekeeping” bill
Date:	Friday, March 22, 2019 2:40:09 PM

Mar 22, 2019

Brian Clem, Chair, & Members
House Committee on Agriculture & Land Use

Re: HB 2577 is a SIGNIFICANT “housekeeping” bill

Dear Chair Clem & Committee Members:

HB 2577 is a simple “housekeeping” bill that clarifies ORS 222.750, Section 5. HB 2577 amends Section 5 with clarifying language. This amendment has become even more critical since the passage of SB 1573 in 2016.

In 2007 the “island” annexation statute ORS 222.750 was amended by HB 2760. **The original language that became HB 2760 included text for Section 5 so that residents targeted for forced annexation under section 750 would receive at least 3 years’ notice from the time the annexation is announced until the time it is finalized.** This gave residents an opportunty to prepare for a significant jurisdictional change and probable property tax increase.

Unfortunately in the rush to get the bill out of committee before deadline, someone changed the bill. **Now a 3-year notice is not required** for residents in targeted territories unless the territory is “zoned for and in use as residential.”

In 2013 the City of Forest Grove annexed a number of “islands” but denied the 3-year notice to affected property owners. **This lack of a 3-year notice created problems both for property owners and the City.**

As often happens, the Forest Grove properties were in residential use but not specifically zoned residential. **Affected property owners appealed to LUBA**, arguing that if “residential” is the allowed use within a territory then it is de facto “zoned for” residential use.

LUBA clearly agreed with the property owners:

“The meaning of “zoned for * * * residential use,” as those words are used in ORS 222.750(5), is ambiguous because most zoning districts allow some residential use. The statute does not specify whether the “zoned for * * * residential use” requirement is satisfied if the applicable zone authorizes “any” residential use (petitioners’ position) or whether the zone must “primarily” authorize residential uses (the city’s position)… We agreed above with petitioners that ORS 222.750(5) is correctly interpreted to provide that property that is zoned to allow residential use as a permitted use in the zone is property that is “zoned for * * * residential use.” (LUBA Case # 2013-020, emphasis ours).

But, since the law is specific, LUBA had to deny the property owners’ appeal.

When annexation occurs in the future shouldn't all property owners have three years to prepare for the impacts? **The 3-year notice provision should be amended as HB 2577 does, to conform with LUBA's own interpretation of the statute.**

Accordingly, HB 2577 is now before you and reinstates the original intent of HB 2760. We hope you will agree that the requested change benefits property owners and cities. Please send HB 2577 to the House floor with a "Do Pass" recommendation.

Thank you for your consideration.

Respectfully,

Richard Reid
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