

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 4012 - B**

80th Oregon Legislative Assembly – 2020 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

Prepared by: Haylee Morse-Miller  
Reviewed by: Ken Rocco, Paul Siebert  
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**Measure Description:**

Requires Department of Land Conservation and Development to approve City of Bend's expansion of urban growth boundary and allows department to approve other land use regulations for city on specified lands, if owner of land possesses development opportunity transferred from Metolius resort site owner and city meets other conditions.

**Government Unit(s) Affected:**

Cities, Department of State Lands (DSL), Department of Land Conservation and Development (DLCD)

**Summary of Fiscal Impact:**

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

**Analysis:**

HB 4012 - B relates to the Stevens Road tract in the City of Bend. The tract is owned by the Department of State Lands (DSL).

The Department of Land Conservation and Development (DLCD) may approve an urban growth boundary (UGB) amendment or Stevens Road planning amendment if the holder of a development opportunity submits a letter to DSL and the City of Bend expressing an interest in selling or conveying the development opportunity on or before July 31, 2020, and a letter is returned expressing interest. A development opportunity is defined as a certain unused active right to apply to a county for approval of a small-scale recreation community, which may be conveyed from a holder to another person by written contract.

DLCD must review a conceptual plan from the City for development of the Stevens Road tract if one is submitted by March 31, 2021. DLCD is to add the Stevens Road tract, and no other lands, to the city's UGB if the plan is approved and DSL holds the development opportunity referenced in this measure. The Stevens Road tract may not be included in the inventory of buildable lands before January 2, 2026 or when the lands are no longer owned by DSL, whichever happens first.

This measure also sets forth requirements for DLCD and the City to approve Stevens Road planning amendments once the land is added to the UGB. DLCD is directed to review the planning amendments using a different standards metric than that usually employed under statewide planning goals. The act is repealed on January 2, 2030.

There is a minimal fiscal impact reported by the City of Bend, DSL, and DLCD, but the Legislative Fiscal Office notes that there could be impacts to the Common School Fund if DSL were to move forward with the option to sell this tract. DSL would normally need to wait to sell this tract until the City does a normal UGB expansion. Under this measure, the Stevens Road tract could be incorporated into the UGB ahead of schedule, which would allow DSL to sell the tract much sooner. DSL notes that the standards the DLCD must evaluate this tract under could potentially limit the land's market value, and there could be additional costs related to taking over the development opportunity referenced in this measure. This loss of value may be offset with moneys from the sale that are deposited in the Common School Fund and able to accrue interest.