

House Bill 3317

Sponsored by Representatives LEVY B, BOICE, Senator HANSELL; Representatives EVANS, LIVELY, OSBORNE, OWENS

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 **as introduced**.

Establishes Wallowa Rural and Recreational Economic Development Board. Directs board to, in collaboration with Oregon Business Development Department, formulate and implement strategies and practices for strategic investment in workforce housing, workforce development and economic development in Wallowa Rural and Recreational Economic Development Region and to make grants or loans to eligible applicants in region. Sets forth duties, functions and responsibilities of department and board.

Allows county to partition and rezone up to 50 acres of lands within region from resource use to residential uses. Sunsets January 2, 2035.

Establishes Wallowa Rural and Recreational Economic Development Board Fund and continuously appropriates moneys to department for distribution to board for purposes set forth in Act. Appropriates moneys to department for deposit in fund.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to Wallowa Rural and Recreational Economic Development Region; and declaring an
3 emergency.

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

5 **SECTION 1. As used in sections 1 to 7 of this 2023 Act:**

6 (1) **“Community land trust” means a form of permanently affordable or workforce hous-**
7 **ing in which a nonprofit organization retains ownership of the land and sells or rents the**
8 **housing on that land.**

9 (2) **“Economic development” means activities that relate to and support:**

10 (a) **The economic health or recovery of the region;**

11 (b) **Business enterprise and activities in the region;**

12 (c) **Development or certification of regionally significant industrial sites in the region;**

13 (d) **Job creation or prevention of the loss of jobs; or**

14 (e) **Business development or expansion or the prevention of the decline of businesses lo-**
15 **cated or to be located in the region.**

16 (3) **“Local governing body” means either the county court or board of county commis-**
17 **sioners of the county.**

18 (4) **“Local government” has the meaning given that term in ORS 174.116.**

19 (5) **“Regionally significant industrial site” has the meaning given that term in ORS**
20 **285B.626.**

21 (6) **“Traded sector” has the meaning given that term in ORS 285A.010.**

22 (7) **“Wallowa Rural and Recreational Economic Development Region” or “region,” as de-**
23 **defined in rules adopted by the Wallowa Rural and Recreational Economic Development Board**
24 **in consultation with the Oregon Business Development Department, means that part of**
25 **Wallowa County that:**

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 (a) Is 60 miles or more away from a major metropolitan area;
- 2 (b) Has a recreation or tourism based economy; and
- 3 (c) Includes, but is not limited to, the Cities of Enterprise, Joseph, Lostine and Wallowa.

4 (8) "Workforce development" means activities or services that promote economic devel-
5 opment by making skilled employees more readily available, including:

- 6 (a) Education, training and apprenticeships;
- 7 (b) Labor market analysis;
- 8 (c) Employment and reemployment assistance;
- 9 (d) Employee recruitment and retention;
- 10 (e) Workforce training programs that have a primary mission of assisting individuals to
11 attain or retain employment, increase wages, progress along career pathways or establish
12 and maintain businesses;
- 13 (f) Convening, coordinating, oversight and evaluation activities and services for business
14 and state workforce agencies; and
- 15 (g) Ensuring adequate housing availability and affordability.

16 **SECTION 2. (1) The Wallowa Rural and Recreational Economic Development Board is**
17 **established to formulate and implement strategies and practices for strategic investment in**
18 **workforce development, workforce housing and economic development in the Wallowa Rural**
19 **and Recreational Economic Development Region and to make grants or loans to eligible ap-**
20 **licants for the purpose of encouraging workforce development, workforce housing and eco-**
21 **nomical development in the region.**

22 (2) The board shall consist of seven voting members and one nonvoting member as fol-
23 lows:

24 (a) The Governor shall appoint seven voting members from a list of eligible appointees
25 with expertise in traded sector business, education, workforce development, housing or eco-
26 nomic development provided by the local governing bodies within the region, including at
27 least one member representing a nonprofit organization that operates a community land
28 trust. The Governor shall request an updated list of eligible appointees from the local gov-
29 erning bodies within the region for the purpose of making appointments when vacancies oc-
30 cur.

31 (b) The Director of the Oregon Business Development Department, or the director's
32 designee, is an ex officio nonvoting member of the board.

33 (3) The term of office of each voting member of the board is four years, but a member
34 serves at the pleasure of the Governor. Before the expiration of the term of a voting
35 member, the Governor shall appoint a successor whose term begins on January 1 next fol-
36 lowing. A member is eligible for reappointment for a total of two consecutive terms. If there
37 is a vacancy for any cause, the Governor shall make an appointment to become immediately
38 effective for the unexpired term.

39 (4) The Governor shall appoint one voting member of the board as the chairperson.

40 (5) A voting member of the board is entitled to compensation and expenses as provided
41 in ORS 292.495.

42 (6) A majority of the voting members of the board constitutes a quorum for the trans-
43 action of business.

44 (7) Board meetings are conducted as follows:

45 (a) The board shall meet at least once every three months at a time and place determined

1 by the chairperson. The board also may meet at other times and places specified by the call
 2 of the chairperson or of a majority of the members of the board.

3 (b) Meetings of the board are subject to ORS 192.610 to 192.690 governing public meetings
 4 and ORS 192.311 to 192.431 governing public records.

5 (8) The board may establish any advisory or technical committees the board considers
 6 necessary to aid and advise the board in the performance of its functions. The committees
 7 may be continuing or temporary committees. The board shall determine the representation,
 8 membership, terms and organization of the committees and shall appoint the members of the
 9 committees.

10 (9) The Oregon Business Development Department shall provide staff to the board as
 11 necessary to allow the board to carry out the board’s responsibilities under sections 1 to 7
 12 of this 2023 Act. The department may contract with a third party to provide staff to the
 13 board under this subsection, provided that the third party remains subject to the direction
 14 and control of the department.

15 **SECTION 3.** Notwithstanding the term of office specified by section 2 of this 2023 Act,
 16 of the voting members first appointed to the board:

- 17 (1) Two shall serve for a term ending December 31, 2023.
- 18 (2) Two shall serve for a term ending December 31, 2024.
- 19 (3) Two shall serve for a term ending December 31, 2025.
- 20 (4) One shall serve for a term ending December 31, 2026.

21 **SECTION 4.** The Wallowa Rural and Recreational Economic Development Board, in col-
 22 laboration with and with the assistance of the Oregon Business Development Department,
 23 has the following duties, functions and powers:

- 24 (1) To identify policies and strategies that will:
 - 25 (a) Promote workforce and economic growth;
 - 26 (b) Facilitate development or prevent decline of regionally significant industrial sites;
 - 27 (c) Promote viable workforce housing solutions;
 - 28 (d) Create or maintain jobs in the Wallowa Rural and Recreational Economic Develop-
 29 ment Region; and
 - 30 (e) Improve access to career and technical education, workforce training programs and
 31 higher education to enhance the availability of a qualified workforce for employers in the
 32 region.

33 (2) To make recommendations to the Legislative Assembly for policies and strategies that
 34 improve the availability of career and technical education, workforce training programs and
 35 higher education for the purpose of improving the availability of a qualified workforce for
 36 employers in the region.

37 (3) To identify specific laws, rules and regulations that place workforce development or
 38 economic development efforts in the region at a competitive disadvantage due to the business
 39 environment being located in a rural, recreational and frontier county.

40 (4) Subject to the availability of funds in the Wallowa Rural and Recreational Economic
 41 Development Board Fund, to make grants or loans to qualified applicants pursuant to section
 42 5 of this 2023 Act, not to exceed a total of 10 active grants at any one time.

43 (5) To establish a means to evaluate grants or loans made by the board and the depart-
 44 ment, including, but not limited to, determining the number of businesses or regionally sig-
 45 nificant industrial sites assisted, the types and amount of resources leveraged, return on

1 investment criteria, performance and outcome measures and methods to evaluate the impact
 2 on jobs and wages in the area of the region in which grant or loan moneys were applied or
 3 in which they were utilized.

4 (6) To facilitate collaboration among employers, local governments, state agencies and
 5 stakeholders for the purpose of enhancing and expanding workforce development and eco-
 6 nomic development in the region.

7 (7) To consult with affected school districts, community colleges and universities and the
 8 Employment Department in identifying policies and strategies that will enhance and promote
 9 workforce development to improve the availability of a qualified workforce for employers in
 10 the region.

11 (8) To report annually on or before December 31 of each year to standing and interim
 12 committees of the Legislative Assembly related to business and economic development re-
 13 garding implementation and administration of the Wallowa Rural and Recreational Economic
 14 Development Board and of grants or loans made to qualified applicants pursuant to section
 15 5 of this 2023 Act. The report may include recommendations regarding proposed legislation
 16 and strategies to improve workforce development and economic development in the region.

17 **SECTION 5.** (1) Subject to the availability of funds in the Wallowa Rural and Recreational
 18 Economic Development Board Fund, the Wallowa Rural and Recreational Economic Devel-
 19 opment Board may award grants or issue loans to eligible applicants for the purpose of en-
 20 hancing or expanding workforce housing, workforce development or economic development
 21 in the Wallowa Rural and Recreational Economic Development Region. Repayment of loans
 22 made under this section is subject to subsection (8) of this section. The board shall make the
 23 decision whether to approve and award grants or issue loans under this section, but the
 24 Oregon Business Development Department shall be responsible for the disbursement of grant
 25 or loan moneys from the Wallowa Rural and Recreational Economic Development Board
 26 Fund.

27 (2) Eligible applicants include:

28 (a) Local governments;

29 (b) Institutions of higher education as defined in ORS 348.582;

30 (c) Private or nonprofit businesses whose principal place of business, or the majority of
 31 whose workforce, is located in the region;

32 (d) Small business development centers established under ORS 285B.165 to 285B.171;

33 (e) Economic development organizations;

34 (f) Nonprofit organizations that operate or will operate a community land trust within
 35 the region;

36 (g) School districts; and

37 (h) Other entities as defined by the board by rule.

38 (3) An eligible applicant may apply for a grant or loan by submitting an application and
 39 paying the required application fee, if any, in accordance with rules adopted by the board in
 40 consultation with the department. The rules must, at a minimum:

41 (a) Establish criteria for the award of grants or issuance of loans under this section that
 42 provide that the applicant must demonstrate the grant or loan moneys will be used for:

43 (A) Enhancement and expansion of workforce development or workforce housing in the
 44 region that is responsive to the needs of the region's businesses and industries;

45 (B) Economic development that will lead to private investment, job creation or retention

1 and the establishment or expansion of viable businesses in the region;

2 (C) Expansion of a transportation infrastructure sufficient to facilitate moving traded
3 sector goods or services in the region to market;

4 (D) Certification of regionally significant industrial sites within the region;

5 (E) Extension of private utilities, including but not limited to gas and electrical con-
6 nections, to regionally significant industrial sites or to residential subdivisions within the
7 region;

8 (F) A due diligence assessment pursuant to the Oregon Industrial Site Readiness Pro-
9 gram under ORS 285B.635 to 285B.640 or other assessments or evaluations that prepare a site
10 for development;

11 (G) Provision of support services and technical assistance to entrepreneurs and business
12 owners in the region, including but not limited to small business development centers es-
13 tablished under ORS 285B.165 to 285B.171; or

14 (H) The development of community land trusts in the region; and

15 (b) Establish criteria for repayment of loans, collection of moneys owed and repayment
16 of grant proceeds in the event of default.

17 (4) Applications for loans must contain:

18 (a) A plan for repayment by the applicant to the Wallowa Rural and Recreational Eco-
19 nomic Development Board Fund of moneys borrowed from the fund, plus interest; and

20 (b) If required by the department and the board, evidence of debt assurance of, or secu-
21 rity for, repayment by the applicant.

22 (5) Loans made under this section:

23 (a) May not be for a loan term that exceeds either the usable life of the work or project
24 for which the loan was awarded or a specified number of years after the work or project is
25 completed, whichever is shorter; and

26 (b) Are subject to subsection (8) of this section regarding repayment of loans made by
27 the department.

28 (6) Grants or loans made under this section are payable solely from the Wallowa Rural
29 and Recreational Economic Development Board Fund established in section 7 of this 2023
30 Act. Amounts paid as grants or loans shall not constitute a debt of the state or a lending
31 of the credit of the state within the meaning of any constitutional or statutory limitation.
32 This subsection is not intended to impair the exercise of rights granted against the security
33 for a loan, if any.

34 (7) The department shall assist the board in evaluating applications for grants or loans
35 under this section by:

36 (a) Evaluating timelines for completion of work and projects for which grant or loan
37 moneys requested in the application will be used;

38 (b) Investigating whether necessary permits for development, if needed, have been or can
39 be secured in a timely manner;

40 (c) Making recommendations on maximizing the use of grant or loan moneys to ensure
41 successful completion of the work or project for which the grant or loan moneys will be used;

42 (d) Assessing the ability of the applicant to repay the grant or loan;

43 (e) Documenting the strengths, weaknesses and risks of the applicant and the project;
44 and

45 (f) Making recommendations regarding terms and conditions for approval of a grant or

1 loan.

2 (8) The department shall adopt rules governing repayment of loans made under this sec-
 3 tion and the collection of moneys owed the Wallowa Rural and Recreational Economic De-
 4 velopment Board Fund. The department may seek appropriate legal remedies to secure
 5 repayment of any loans made under this section that are due to the fund.

6 (9) The department may assess and charge fees, including but not limited to application
 7 fees, for loans or grants made under this section.

8 **SECTION 6.** The Wallowa Rural and Recreational Economic Development Board, in con-
 9 sultation with the Oregon Business Development Department, shall adopt rules to implement
 10 and administer the provisions of sections 1 to 7 of this 2023 Act.

11 **SECTION 7.** (1) The Wallowa Rural and Recreational Economic Development Board Fund
 12 is established in the State Treasury, separate and distinct from the General Fund. Interest
 13 earned by the Wallowa Rural and Recreational Economic Development Board Fund shall be
 14 credited to the fund.

15 (2) Moneys in the fund are continuously appropriated to the Oregon Business Develop-
 16 ment Department for distribution to the Wallowa Rural and Recreational Economic Devel-
 17 opment Board for the purposes set forth in sections 1 to 7 of this 2023 Act, including but not
 18 limited to administrative costs of the department incurred in processing grant or loan ap-
 19 plications, investigating the eligibility of applicants and servicing outstanding grants and
 20 loans, not to exceed an annual amount greater than the total revenues received in that year
 21 from applicant fees assessed and charged by the department under section 5 of this 2023 Act,
 22 plus four percent of the total asset value of the fund.

23 (3) Moneys in the Wallowa Rural and Recreational Economic Development Board Fund
 24 consist of:

25 (a) Applicant fees for grants or loans assessed, charged and paid pursuant to section 5
 26 of this 2023 Act;

27 (b) Moneys received as repayment of principal and interest on loans made from the fund
 28 under sections 1 to 7 of this 2023 Act;

29 (c) Amounts appropriated or otherwise transferred to the fund by the Legislative As-
 30 sembly;

31 (d) Amounts donated to the fund;

32 (e) Moneys transferred to the fund from the federal government, state agencies or local
 33 governments;

34 (f) Lottery bond proceeds approved by the Legislative Assembly for deposit in the fund;

35 (g) Earnings received on moneys in the fund; and

36 (h) Other amounts deposited in the fund from any source.

37 (4) All repayments of grants or loans, interest and other receipts from outstanding
 38 indebtedness or any other sources shall be retained and accumulated in the fund and shall
 39 be used for the purposes set forth in sections 1 to 7 of this 2023 Act.

40 **SECTION 8.** Sections 9 and 10 of this 2023 Act are added to and made a part of ORS
 41 chapter 215.

42 **SECTION 9.** (1) Notwithstanding any land use planning goal related to urbanization or
 43 agricultural or forest lands, if Wallowa County has established a review board described in
 44 section 10 of this 2023 Act, the county may rezone, and if necessary partition, lands that are
 45 zoned for resource use and within the Wallowa Rural and Recreational Economic Develop-

1 ment Region, as defined in section 1 of this 2023 Act, for residential development, including
 2 single-family, middle housing or multifamily development, provided that:

3 (a) The rezoned lands are within one-half mile of city limits;

4 (b) If the water source for the rezoned lands is a well, the lands are not within a critical
 5 ground water area as designated under ORS 537.730 to 537.740 or within an area where
 6 ground water withdrawals have been restricted by the Water Resources Commission;

7 (c) The property owner agrees as a condition of approval of the rezoning to sign and re-
 8 cord in the county deed records an irrevocable deed restriction in the form prescribed by the
 9 county acknowledging the protected rights of farm, forest and rangeland practices in the
 10 area and prohibiting the owner and the owner's successors in interest from pursuing a cause
 11 of action or claim of relief alleging an injury from any farming, forest or rangeland practices
 12 if a claim or action is not allowed under ORS 30.936 or 30.937 or is otherwise protected by law
 13 as a farming, forest or rangeland practice;

14 (d) The rezoning complies with all other criteria adopted by the county;

15 (e) The approval would not result in a cumulative total of more than 50 acres rezoned
 16 by the county under this section;

17 (f) The rezoning has received a public hearing and a written opinion from a review board
 18 established under section 10 of this 2023 Act; and

19 (g) In the prior 10 years, the rezoned lands have not been assessed for property tax
 20 purposes as:

21 (A) Open space land under ORS 308A.300 to 308A.330;

22 (B) Riparian habitat under ORS 308A.350 to 308A.383;

23 (C) Wildlife habitat under ORS 308A.403 to 308A.430; or

24 (D) A conservation easement under ORS 308A.450 to 308A.465.

25 (2) Upon rezoning lands under this section, the county shall file with the county assessor
 26 a statement listing the tax lots to which the change in zoning applies and the applicable date
 27 of the change.

28 **SECTION 10.** (1) Wallowa County may establish a review board that consists of four
 29 members appointed by the governing body of the county.

30 (2) The members of the review board shall serve terms of no more than four years and
 31 may be reappointed by the governing body.

32 (3) The review board must include:

33 (a) One member who represents the interests of the resource use community of the
 34 county;

35 (b) One member who represents the Wallowa Rural and Recreational Economic Devel-
 36 opment Board;

37 (c) One member who is a member of the governing body of the county; and

38 (d) One member who is a member of the planning body for the county.

39 (4) The review board shall review, and conduct at least one public hearing for, each per-
 40 mit application filed by a landowner for the rezoning of their land under section 9 of this 2023
 41 Act to rezone, and if necessary partition, land and shall provide a written opinion to the
 42 county.

43 (5) The opinion provided by the review board is not a land use decision and is not subject
 44 to appeal.

45 **SECTION 11.** Sections 9 and 10 of this 2023 Act are repealed on January 2, 2035.

1 **SECTION 12.** The repeal of sections 9 and 10 of this 2023 Act by section 11 of this 2023
2 Act does not invalidate, or provide any basis for challenging, the rezoning of lands under
3 section 9 of this 2023 Act.

4 **SECTION 13.** On or before September 15, 2026, the Oregon Business Development De-
5 partment, in collaboration with the Wallowa Rural and Recreational Economic Development
6 Board, shall provide a report to an appropriate interim committee of the Legislative As-
7 sembly in the manner provided in ORS 192.245 on the activities of the board and Wallowa
8 County under sections 1 to 7 and 9 and 10 of this 2023 Act.

9 **SECTION 14.** In addition to and not in lieu of any other appropriation, there is appro-
10 priated to the Oregon Business Development Department, for the biennium beginning July
11 1, 2023, out of the General Fund, the amount of \$5,000,000, for deposit in the Wallowa Rural
12 and Recreational Economic Board Development Fund established in section 7 of this 2023
13 Act.

14 **SECTION 15.** This 2023 Act being necessary for the immediate preservation of the public
15 peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect
16 on its passage.
17
