

House Bill 2376

Sponsored by Representative LEVY B; Representatives SMITH G, WRIGHT (Presession filed.)

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would create a regional board in Wallowa County to increase jobs and housing for workers and to develop the economy. The Act would let the county partition and rezone land from resource use to housing use. (Flesch Readability Score: 60.6).

Establishes the Wallowa Rural and Recreational Economic Development Board to develop and implement strategies for investment in workforce development, workforce housing and economic development in the Wallowa Rural and Recreational Economic Development Region, including a grant and loan program.

Allows the county to partition and rezone up to 50 acres of lands within the region from resource use to residential use. Sunsets January 2, 2037.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to economic development in Wallowa County; and declaring an emergency.

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

SECTION 1. As used in sections 1 to 7 of this 2025 Act:

4 (1) **"Economic development" means development that:**

5 (a) **Relates to and supports:**

6 (A) **The economic health or recovery of the region;**

7 (B) **Business enterprise and activities in the region; or**

8 (C) **Development or certification of regionally significant industrial sites in the region;**

9 (b) **Creates jobs or prevents the loss of jobs in the region; or**

10 (c) **Promotes or expands businesses or prevents the decline of businesses located or to**
11 **be located in the region.**

12 (2) **"Law" means statutes, administrative rules and any other form of regulation imposed**
13 **by this state or a political subdivision of this state.**

14 (3) **"Local governing body" means either the county court or board of county commis-**
15 **sioners of the county.**

16 (4) **"Local government" has the meaning given that term in ORS 174.116.**

17 (5) **"Regionally significant industrial site" has the meaning given that term in ORS**
18 **285B.626.**

19 (6) **"Traded sector" has the meaning given that term in ORS 285A.010.**

20 (7) **"Wallowa Rural and Recreational Economic Development Region" or "region" means**
21 **that part of Wallowa County that:**

22 (a) **Is 60 miles or more away from a major metropolitan area;**

23 (b) **Has a recreation or tourism based economy; and**

24 (c) **Includes, but is not limited to, the cities of Enterprise, Joseph, Lostine and Wallowa.**

25 (8)(a) **"Workforce development" means activities or services that assist individuals to**
26

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 attain employment, progress along career pathways or establish and maintain businesses and
2 that promote economic development by making skilled employees more readily available.

3 (b) "Workforce development" includes:

4 (A) Education, training and apprenticeships;

5 (B) Labor market analysis;

6 (C) Employment and reemployment assistance;

7 (D) Employee recruitment and retention;

8 (E) Workforce programs that have a primary mission of helping individuals become em-
9 ployed, retain employment, increase wages, progress along career pathways and establish and
10 maintain businesses;

11 (F) Convening, coordinating, oversight and evaluation activities and services for business
12 and state workforce agencies; and

13 (G) Development of residential housing necessary to attract and keep employees in the
14 region.

15 **SECTION 2.** (1) The Wallowa Rural and Recreational Economic Development Board is
16 established to develop and implement strategies for investment in workforce development,
17 workforce housing and economic development in the Wallowa Rural and Recreational Eco-
18 nomic Development Region, including the grant and loan program developed under section 5
19 of this 2025 Act.

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

22 (a) The Governor shall appoint seven voting members from a list, provided by the local
23 governing bodies within the region, of eligible appointees with expertise in traded sector
24 business, education, workforce development, workforce housing or economic development.
25 At least one member must represent a nonprofit organization. The Governor shall request
26 an updated list of eligible appointees from the local governing bodies within the region for
27 the purpose of making appointments when vacancies occur.

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

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

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

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

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

41 (7)(a) The board shall meet at least once every three months at a time and place deter-
42 mined by the chairperson. In addition, the board may meet at other times and places speci-
43 fied by the call of the chairperson or of a majority of the members of the board.

44 (b) Meetings of the board are subject to ORS 192.610 to 192.705 governing public meetings
45 and ORS 192.311 to 192.478 governing public records.

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

6 (9) The Oregon Business Development Department shall provide staff to the board as
 7 necessary to allow the board to carry out the board's responsibilities under sections 1 to 7
 8 of this 2025 Act. The department may contract with a third party to provide staff to the
 9 board under this subsection, provided the third party remains subject to the direction and
 10 control of the department.

11 **SECTION 3.** Notwithstanding the term of office specified by section 2 of this 2025 Act,
 12 of the voting members first appointed to the board:

- 13 (1) Two shall serve for a term ending December 31, 2025.
- 14 (2) Two shall serve for a term ending December 31, 2026.
- 15 (3) Two shall serve for a term ending December 31, 2027.
- 16 (4) One shall serve for a term ending December 31, 2028.

17 **SECTION 4.** The Wallowa Rural and Recreational Economic Development Board has the
 18 following duties, functions and powers:

19 (1) To identify policies and strategies that will:

20 (a) Promote workforce development, workforce housing and economic development in the
 21 Wallowa Rural and Recreational Economic Development Region;

22 (b) Facilitate the development and prevent the decline of regionally significant industrial
 23 sites;

24 (c) Promote viable workforce housing solutions in the region;

25 (d) Create and maintain jobs in the region; and

26 (e) Improve access to career and technical education, workforce training programs and
 27 higher education to enhance the availability of a qualified workforce for employers in the
 28 region.

29 (2) To make recommendations to the Legislative Assembly for policies and strategies to
 30 improve the availability of career and technical education, workforce training programs and
 31 higher education for the purpose of improving the availability of a qualified workforce for
 32 employers in the region.

33 (3) To identify specific laws that place specific workforce development, workforce housing
 34 or economic development efforts in the region at a competitive disadvantage because the
 35 region is located in a rural, recreational and frontier county.

36 (4) To award grants and make loans to eligible applicants under section 5 of this 2025 Act.

37 (5) To facilitate collaboration among employers, local governments, state agencies and
 38 stakeholders for the purpose of enhancing and expanding workforce development, workforce
 39 housing and economic development in the region.

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

44 (7) To define the region more specifically by rule.

45 (8) In consultation with the Oregon Business Development Department, to adopt rules

1 to develop and implement sections 1 to 7 of this 2025 Act.

2 **SECTION 5.** (1) The Wallowa Rural and Recreational Economic Development Board shall
3 develop and administer a program under which the board may award grants and make loans
4 for the purpose of enhancing and expanding workforce development, workforce housing and
5 economic development in the Wallowa Rural and Recreational Economic Development Re-
6 gion.

7 (2) Eligible applicants for grants and loans include, but are not limited to:

8 (a) Local governments;

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

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

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

13 (e) Economic development organizations;

14 (f) Nonprofit organizations operating within the region;

15 (g) School districts; and

16 (h) Other types of entities prescribed by the board by rule.

17 (3)(a) An eligible applicant may apply to the board for a grant or loan. The board may
18 not consider an application unless the application is timely and accompanied by any required
19 application fee. The board shall prescribe deadlines for the application process.

20 (b) An applicant must demonstrate that the grant or loan moneys will be used for:

21 (A) Economic development that will lead to private investment, job creation or retention
22 and the establishment or expansion of viable businesses in the region;

23 (B) Enhancement and expansion of workforce development in the region, including de-
24 velopment of workforce housing necessary to attract and keep employees in the region, that
25 is responsive to the needs of the region's businesses and industries;

26 (C) Certification of regionally significant industrial sites;

27 (D) Extension of private utilities, including, but not limited to, gas and electrical con-
28 nections, to regionally significant industrial sites;

29 (E) Expansion of transportation infrastructure to facilitate moving traded sector goods
30 or services in the region to market;

31 (F) A due diligence assessment pursuant to the Oregon Industrial Site Readiness As-
32 sessment Program under ORS 285B.635 to 285B.640 or other assessments or evaluations that
33 prepare a site for development; or

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

37 (c) Applications for loans must contain a proposed plan for repayment with interest of
38 moneys borrowed under this section.

39 (d) The board shall adopt rules that, at a minimum, establish criteria for awarding grants
40 and making loans under this section, in addition to the criteria set forth in paragraph (b)
41 of this subsection.

42 (4) The Oregon Business Development Department may charge fees, including, but not
43 limited to, application fees, for grants awarded and loans made under this section.

44 (5) Loans may not be made under this section for a term that exceeds the useful life of
45 the work or project for which the loan funds will be used or a specified number of years from

1 completion of the work or project, whichever is less.

2 (6) The board, with the assistance of the Oregon Business Development Department,
3 shall consider applications for grants and loans under this section by:

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

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

8 (c) Assessing the ability of the applicant to repay the grant or loan; and

9 (d) Applying any other methods or criteria the board considers necessary or convenient
10 for the purpose.

11 (7) Grant awards and loans:

12 (a) Are payable solely from moneys in the Wallowa Rural and Recreational Economic
13 Development Board Fund established under section 6 of this 2025 Act, subject to the avail-
14 ability of moneys in the fund.

15 (b) Shall not constitute a debt of the state or a lending of the credit of the state within
16 the meaning of any statutory limitation and are not intended to constitute a debt of the state
17 or a lending of the credit of the state within the meaning of any constitutional limitation.

18 (8) The department shall adopt rules governing repayment of loans made under this sec-
19 tion and the collection of moneys owed to the Wallowa Rural and Recreational Economic
20 Development Board Fund. The department may seek appropriate legal remedies to secure
21 repayment of any loans made under this section that are due to the fund.

22 **SECTION 6.** (1) The Wallowa Rural and Recreational Economic Development Board Fund
23 is established in the State Treasury, separate and distinct from the General Fund. Interest
24 earned by the Wallowa Rural and Recreational Economic Development Board Fund shall be
25 credited to the fund.

26 (2)(a) Moneys in the fund are continuously appropriated to the Oregon Business Devel-
27 opment Department for distribution to the Wallowa Rural and Recreational Economic De-
28 velopment Board to be used for awarding grants and making loans under sections 1 to 7 of
29 this 2025 Act.

30 (b)(A) The moneys may also be used to reimburse the board and the department for
31 amounts including, but not limited to, the actual administrative costs incurred by the board
32 and department, respectively, in processing grant and loan applications and in investigating
33 the eligibility of applicants and servicing outstanding grants and loans.

34 (B) The amounts authorized under this paragraph per annum may not exceed an amount
35 greater than the total moneys received in that year from application fees charged under
36 section 5 of this 2025 Act, plus four percent of the total asset value of the fund.

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

39 (a) Application fees for grants and loans charged under section 5 of this 2025 Act;

40 (b) Moneys received as repayment of principal and interest on loans made from the fund
41 under sections 1 to 7 of this 2025 Act;

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

44 (d) Lottery bond proceeds approved by the Legislative Assembly for deposit in the fund;

45 (e) Amounts donated to the fund;

1 (f) Moneys transferred to the fund from the federal government, state agencies or local
2 governments;

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

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

5 **SECTION 7.** (1) On or before December 31 of each year, the Wallowa Rural and Recre-
6 ational Economic Development Board shall submit a report, in the manner provided in ORS
7 192.245, to the interim committees of the Legislative Assembly related to business and eco-
8 nomic development that sets forth the experience of the board and the grant and loan pro-
9 gram administered under sections 1 to 7 of this 2025 Act. The report may include
10 recommendations for legislation and strategies to improve workforce development,
11 workforce housing and economic development in the region.

12 (2) The report must provide an evaluation of the grant and loan program that sets forth,
13 at a minimum:

14 (a) The number of businesses or regionally significant industrial sites assisted;

15 (b) The types and amount of resources leveraged;

16 (c) The return on investment criteria; and

17 (d) The performance and outcome measures and methods used to assess the impact of
18 the grants and loans on jobs and wages in the region.

19 **SECTION 8.** Sections 9 and 10 of this 2025 Act are added to and made a part of ORS
20 chapter 215.

21 **SECTION 9.** (1) Notwithstanding any land use planning goal related to urbanization or
22 agricultural or forest lands, if Wallowa County has established a review board described in
23 section 10 of this 2025 Act, the county may rezone, and if necessary partition, lands that are
24 zoned for resource use and within the Wallowa Rural and Recreational Economic Develop-
25 ment Region, as defined in section 1 of this 2025 Act, for residential development, including
26 single-family, middle housing or multifamily development, provided that:

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

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

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

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

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

41 (f) The rezoning has received a public hearing and a written opinion from a review board
42 established under section 10 of this 2025 Act; and

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

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

- 1 (B) Riparian habitat under ORS 308A.350 to 308A.383;
- 2 (C) Wildlife habitat under ORS 308A.403 to 308A.430; or
- 3 (D) A conservation easement under ORS 308A.450 to 308A.465.

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

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

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

11 (3) The review board must include:

12 (a) One member who represents the interests of the resource use community of the
13 county;

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

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

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

18 (4) The review board shall review, and conduct at least one public hearing for, each per-
19 mit application filed by a landowner for the rezoning of their land under section 9 of this 2025
20 Act to rezone, and if necessary partition, land and shall provide a written opinion to the
21 county.

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

24 **SECTION 11.** Sections 9 and 10 of this 2025 Act are repealed on January 2, 2037.

25 **SECTION 12.** The repeal of sections 9 and 10 of this 2025 Act by section 11 of this 2025
26 Act does not invalidate or provide any basis for challenging the rezoning of lands under
27 section 9 of this 2025 Act.

28 **SECTION 13.** Section 3 of this 2025 Act is repealed on January 2, 2030.

29 **SECTION 14.** On or before September 15, 2030, the Oregon Business Development De-
30 partment, in collaboration with the Wallowa Rural and Recreational Economic Development
31 Board, shall provide a report to an appropriate interim committee of the Legislative As-
32 sembly in the manner provided in ORS 192.245 on the activities of the board and Wallowa
33 County under sections 1 to 7 and 9 and 10 of this 2025 Act.

34 **SECTION 15.** This 2025 Act being necessary for the immediate preservation of the public
35 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect
36 on its passage.

37