

House Bill 3928

Sponsored by Representative BREESE-IVERSON, Senator ANDERSON

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: This Act lets counties zone land for rural housing development. (Flesch Readability Score: 61.3).

Allows counties to designate certain rural lands for rural housing development that are not subject to statewide land use planning laws. Exempts the lands from repayment of additional property taxes based on disqualification from special assessment.

A BILL FOR AN ACT

Relating to rural housing development; creating new provisions; and amending ORS 308A.706.

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

SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 215.

SECTION 2. (1) A county may designate land for rural housing development and subject such land to restrictions on land use adopted by the county consistent with this section.

(2) Land may not be designated for rural housing development if it:

(a) Has a contiguous area less than 6,000 square feet;

(b) Is within an urban growth boundary or designated as urban reserves under ORS 197A.245; or

(c) Is zoned for farm use or forest use and in three or more of the previous five years the land has been irrigated or has been used for the production of farm or forest products, not including experimental production of dryland crops.

(3)(a) A lot or parcel within a rural housing development may have housing sited on it only if the lot or parcel is one acre or smaller.

(b) Housing allowed on a lot or parcel under this section may only consist of a single-unit or manufactured dwelling.

(4) In approving the designation of land for rural housing development, a county may first require that the owners of the land enter into an agreement with the county establishing a plan sufficient to develop the land for housing and services necessary for housing, which may include requirements for:

(a) The development of:

(A) Shared wells or other community water systems;

(B) Sewage treatment and disposal other than cesspools, septic tanks or seepage pits;

(C) Community solar or other shared systems for energy creation or storage; or

(D) Private transportation infrastructure, which may include gravel roads;

(b) The creation of a planned community, under ORS 94.550 to 94.783; or

(c) The clustering of housing to reduce infrastructure costs and impacts on adjacent uses.

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.

(5) A county's decision to designate land for rural housing development and to regulate uses of land designated for rural housing development:

(a) Must be made by ordinance;

(b) Is not a land use decision, as defined in ORS 197.015, and is not subject to review by the Land Use Board of Appeals; and

(c) Is subject only to this section and is not subject to any other provision of ORS chapter 195, 197, 197A or 227 or any other provision of this chapter, any statewide land use planning goal, any rule of the Land Conservation and Development Commission or the comprehensive plan or land use regulations of any local government.

SECTION 3. ORS 308A.706 is amended to read:

308A.706. (1) Notwithstanding that land is disqualified from special assessment, the additional taxes described under ORS 308A.703 may not be imposed and shall remain a potential tax liability if, as of the date the disqualification is taken into account on the assessment and tax roll, the land is any of the following:

(a) Disqualified exclusive farm use zone farmland or nonexclusive farm use zone farmland that:

(A) Is not being used as farmland; and

(B) Is not being used for industrial, commercial, residential or other use that is incompatible with a purpose to return the land to farm use.

(b) Acquired by a governmental agency or body as a result of an exchange of the land for land of approximately equal value held by the governmental agency or body.

(c) Acquired and used for natural heritage purposes and all of the following additional requirements are met:

(A) The land is registered under ORS 273.581 as a state natural area;

(B) The land is acquired by a private nonprofit corporation;

(C) The land is retained by the corporation, or transferred to the state by the corporation, for the purpose of educational, scientific and passive recreational use consistent with conservation of the ecological values and natural heritage resources of the area;

(D) If the land is retained by the corporation, it remains open to the public without charge for the uses described in subparagraph (C) of this paragraph; and

(E) The land is managed pursuant to a voluntary management agreement under ORS 273.581 (5).

(d) Qualified for special assessment under:

(A) ORS 308A.062, relating to farm use special assessment of land in an exclusive farm use zone;

(B) ORS 308A.068, relating to farm use special assessment of nonexclusive farm use zone farmland;

(C) ORS 321.358, relating to classification as designated forestland in western Oregon;

(D) ORS 321.839, relating to classification as designated forestland in eastern Oregon;

(E) ORS 321.709, relating to qualification as small tract forestland;

(F) ORS 308A.424, relating to wildlife habitat special assessment; or

(G) ORS 308A.456, relating to conservation easement special assessment.

(e) Disqualified nonexclusive farm use zone farmland, to the extent the additional taxes are deferred or abated as provided in ORS 308A.119.

(f) Designated for rural housing development under section 2 of this 2025 Act.

(2) This section does not apply to the additional taxes imposed under ORS 308A.703 (4)(a) for the number of years during which farm use special assessment was granted pursuant to a remediation plan as defined in ORS 308A.053.

1 (3) In any case where the additional tax is deferred under the provisions of this section but may
2 subsequently be imposed under ORS 308A.712, the county assessor shall continue to enter the no-
3 tation “potential additional tax liability” on the assessment and tax roll.
4 _____