

Senate Bill 522

Sponsored by Senator SMITH DB, Representative OSBORNE (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: This Act allows counties to allow bonus homes if the homes on farm or forest lands are concentrated. (Flesch Readability Score: 66.3).

Authorizes counties to allow contiguous clustered nonresource dwellings on a clustered development tract in lieu of approval of individual nonresource dwellings on lands zoned for forest or farm use. Allows bonus dwellings when dwellings are sited on low value soil or with shared water or sewage systems. Establishes requirements for siting and approving dwellings and subdividing or partitioning clustered development tracts.

A BILL FOR AN ACT

1
2 Relating to clustered resource dwellings; creating new provisions; and amending ORS 215.236,
3 215.262 and 215.700.

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

5 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS 215.700 to**
6 **215.780.**

7 **SECTION 2. (1) As used in this section:**

8 (a) **“Base developable dwellings” means the maximum total number of new nonresource**
9 **dwellings that would be allowable on a clustered development tract if the tract had a com-**
10 **mon owner.**

11 (b) **“Clustered development tract” means one or more contiguous lots or parcels that are**
12 **zoned for farm, forest or mixed farm and forest use and are:**

13 (A) **Under the same ownership; or**

14 (B) **Under different ownership, but the owners have entered into a written agreement to**
15 **apply to develop two or more clustered nonresource dwellings on the owners’ combined lots**
16 **or parcels.**

17 (c) **“Clustered nonresource dwellings” means two or more new nonresource dwellings**
18 **sited on a clustered development tract.**

19 (d)(A) **“New nonresource dwelling” includes dwellings that could be developed on a tract**
20 **under ORS 215.213 (3) or (4), 215.284, 215.317, 215.327 or 215.700 to 215.780 or are otherwise**
21 **allowed as a new development on lands zoned for farm, forest or mixed farm and forest use.**

22 (B) **“New nonresource dwellings” does not include replacement dwellings or new dwellings**
23 **that are authorized in conjunction with a farm or forest use.**

24 (e) **“Remaining resource lands” means lots or parcels included within a clustered devel-**
25 **opment tract upon which no clustered nonresource dwelling is sited and which will remain**
26 **zoned for farm, forest or mixed farm and forest use.**

27 (2) **In lieu of, and not in addition to, individually authorizing new nonresource dwellings,**
28 **a county may authorize, on a clustered development tract, the subdivision or partition of the**

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 tract and the siting of clustered nonresource dwellings as provided by this section.

2 (3) In the clustered development tract, a county may allow the siting of residential
3 dwellings in addition to the base developable dwellings in an amount that is no greater than
4 the lesser of:

5 (a) The total base developable dwellings minus one; or

6 (b) Rounded down to the nearest whole number, the sum of:

7 (A) One-quarter dwelling for each clustered nonresource dwelling sited on a lot or parcel
8 where a deed restriction requires that the dwelling share a well or water source with one
9 or more clustered nonresource dwellings;

10 (B) One-quarter dwelling for each clustered nonresource dwelling sited on a lot or parcel
11 where a deed restriction requires that the dwelling share a septic system or drainfield or
12 sewage system with one or more clustered nonresource dwellings; and

13 (C) One-quarter dwelling for each clustered nonresource dwelling that is sited on soil
14 that is predominately composed of Class VI through Class VIII soils.

15 (4) A county may authorize only clustered nonresource dwellings that:

16 (a) Are separated by not more than 300 feet, measured between the nearest points of the
17 respective dwellings' footprints; and

18 (b) Either front on a public road or share, with all other clustered nonresource dwellings
19 that do not front on a public road, a private road with a single common access point to a
20 public road via an easement.

21 (5) A county may authorize a clustered development tract unless the overall plan for the
22 tract and the clustered nonresource dwellings:

23 (a) Will force a significant change in, or significantly increase the cost of, accepted
24 farming or forest practices on the remaining resource lands or nearby lands devoted to farm
25 or forest use; or

26 (b) Will materially alter the stability of the overall land use pattern of the area.

27 (6) A county shall allow a clustered development tract to be subdivided or partitioned to
28 allow each clustered nonresource dwelling to be sited on a lot or parcel that:

29 (a) Is not smaller than one acre in size;

30 (b) Is not larger than five acres in size; and

31 (c) Forms a single contiguous tract with all other clustered nonresource dwellings.

32 (7) To the extent practicable, the single contiguous tract described in subsection (6)(c)
33 of this section:

34 (a) Must be contiguous to:

35 (A) Any one of the following, if any exist, that border the clustered development tract:

36 (i) An urban growth boundary;

37 (ii) Any area zoned for rural residential use, as defined in ORS 215.501; or

38 (iii) Other clustered nonresource dwellings; and

39 (B) A road that borders or crosses the clustered development tract, if any; and

40 (b) May not divide the remaining resource lands into more than one tract.

41 (8) To the extent practicable, the county shall ensure each clustered nonresource dwell-
42 ing or lot or parcel authorized under this section:

43 (a) Prevents negative impacts to groundwater due to runoff;

44 (b) Minimizes disturbance to wetlands, grasslands, mature trees, habitats and open lands;

45 and

1 (c) Protects or incorporates any existing historic buildings or residential dwellings.

2 (9) The remaining resource lands:

3 (a) Are not eligible for siting a dwelling, except as may be authorized under ORS 195.120;

4 (b) May not be considered in approving or denying an application for siting any other
5 dwelling;

6 (c) May not be considered in approving a redesignation or rezoning of forestlands or lands
7 zoned for exclusive farm use under the acknowledged comprehensive plan and land use reg-
8 ulations, except for a redesignation or rezoning to allow a public park, open space or other
9 natural resource use; and

10 (d) Must be subject to a deed restriction recorded in the county records binding on future
11 owners of the tract that limits development of the lands consistent with the requirements
12 of paragraphs (a) to (c) of this subsection.

13 (10) If any portion of a clustered development tract is within an acknowledged urban
14 growth boundary, the portion of the tract within the urban growth boundary may not be used
15 to calculate the base developable dwellings under this section. Notwithstanding ORS 215.263
16 (2)(b)(B) and 215.785 (3)(b)(B), a parcel created under ORS 215.263 (2)(a)(C) or 215.785 (2) after
17 the effective date of this 2025 Act that remains zoned for farm, forest or mixed farm and
18 forest use may be considered in determining the base developable dwellings for a clustered
19 development tract under this section.

20 **SECTION 3.** ORS 215.262 is amended to read:

21 215.262. The Legislative Assembly declares that the creation of small parcels for nonfarm
22 dwellings in exclusive farm use zones introduces potential conflicts into commercial agricultural
23 areas and allows a limited number of nonfarm dwellings in exclusive farm use zones. To protect the
24 state’s land base for commercial agriculture from being divided into multiple parcels for nonfarm
25 dwellings while continuing to allow a limited number of nonfarm dwellings on less productive agri-
26 cultural land not suitable for farm use, it is necessary to:

27 (1) Limit the incremental division of lots or parcels larger than the minimum size established
28 under ORS 215.780 into smaller lots or parcels for the purpose of creating new nonfarm dwellings;
29 [and]

30 (2) Allow a limited number of lots or parcels equal to or less than the minimum size established
31 under ORS 215.780 to be partitioned into not more than two parcels unsuitable for farm use and
32 eligible for siting nonfarm dwellings under ORS 215.284[.]; **and**

33 (3) **For nonfarm dwellings that are allowed, encourage the clustering of dwellings to**
34 **maintain uninterrupted tracts of usable resource lands and to minimize conflict between**
35 **resource lands and residential uses.**

36 **SECTION 4.** ORS 215.700 is amended to read:

37 215.700. The Legislative Assembly declares that land use regulations limit residential develop-
38 ment on some less productive resource land acquired before the owners could reasonably be ex-
39 pected to know of the regulations. In order to assist these owners while protecting the state’s more
40 productive resource land from the detrimental effects of uses not related to agriculture and forestry,
41 it is necessary to:

42 (1) Provide certain owners of less productive land an opportunity to build a dwelling on their
43 land; [and]

44 (2) Limit the future division of and the siting of dwellings upon the state’s more productive re-
45 source land[.]; **and**

1 **(3) For dwellings that are allowed, encourage the clustering of dwellings to maintain un-**
 2 **interrupted tracts of usable resource lands and to minimize conflict between resource lands**
 3 **and residential uses.**

4 **SECTION 5.** ORS 215.236 is amended to read:

5 215.236. (1) As used in this section, “dwelling” means a single-family residential dwelling not
 6 provided in conjunction with farm use.

7 (2) The governing body or its designee may not grant final approval of an application made un-
 8 der ORS 215.213 (3) or 215.284 (1), (2), (3), (4) or (7) **or section 2 of this 2025 Act** for the estab-
 9 lishment of a dwelling on a lot or parcel in an exclusive farm use zone that is, or has been, receiving
 10 special assessment without evidence that the lot or parcel upon which the dwelling is proposed has
 11 been disqualified for special assessment at value for farm use under ORS 308A.050 to 308A.128 or
 12 other special assessment under ORS 308A.315, 321.257 to 321.390, 321.700 to 321.754 or 321.805 to
 13 321.855 and any additional tax imposed as the result of disqualification has been paid.

14 (3) The governing body or its designee may grant tentative approval of an application made
 15 under ORS 215.213 (3) or 215.284 (1), (2), (3), (4) or (7) **or section 2 of this 2025 Act** for the estab-
 16 lishment of a dwelling on a lot or parcel in an exclusive farm use zone that is specially assessed
 17 at value for farm use under ORS 308A.050 to 308A.128 upon making the findings required by ORS
 18 215.213 (3) or 215.284 (1), (2), (3), (4) or (7) **or section 2 of this 2025 Act**. An application for the
 19 establishment of a dwelling that has been tentatively approved shall be given final approval by the
 20 governing body or its designee upon receipt of evidence that the lot or parcel upon which estab-
 21 lishment of the dwelling is proposed has been disqualified for special assessment at value for farm
 22 use under ORS 308A.050 to 308A.128 or other special assessment under ORS 308A.315, 321.257 to
 23 321.390, 321.700 to 321.754 or 321.805 to 321.855 and any additional tax imposed as the result of
 24 disqualification has been paid.

25 (4) The owner of a lot or parcel upon which the establishment of a dwelling has been tentatively
 26 approved as provided by subsection (3) of this section shall, before final approval, simultaneously:

27 (a) Notify the county assessor that the lot or parcel is no longer being used as farmland or for
 28 other specially assessed uses described in subsection (2) or (3) of this section;

29 (b) Request that the county assessor disqualify the lot or parcel from special assessment under
 30 ORS 308A.050 to 308A.128, 308A.315, 321.257 to 321.390, 321.700 to 321.754 or 321.805 to 321.855; and

31 (c) Pay any additional tax imposed upon disqualification from special assessment.

32 (5) Except as provided in subsection (6) of this section, a lot or parcel that has been disqualified
 33 pursuant to subsection (4) of this section may not requalify for special assessment unless, when
 34 combined with another contiguous lot or parcel, it constitutes a qualifying parcel.

35 (6)(a) A lot or parcel that has been disqualified pursuant to subsection (4) of this section may
 36 requalify for wildlife habitat special assessment under ORS 308A.403 to 308A.430 or conservation
 37 easement special assessment under ORS 308A.450 to 308A.465 without satisfying the requirements
 38 of subsection (5) of this section.

39 (b) Upon disqualification from wildlife habitat special assessment under ORS 308A.430 or dis-
 40 qualification from conservation easement special assessment under ORS 308A.465, the lot or parcel
 41 shall be subject to the requirements of subsection (5) of this section.

42 (7) When the owner of a lot or parcel upon which the establishment of a dwelling has been
 43 tentatively approved notifies the county assessor that the lot or parcel is no longer being used as
 44 farmland and requests disqualification of the lot or parcel for special assessment at value for farm
 45 use, the county assessor shall:

- 1 (a) Disqualify the lot or parcel for special assessment at value for farm use under ORS 308A.050
2 to 308A.128 or other special assessment by removing the special assessment;
- 3 (b) Provide the owner of the lot or parcel with written notice of the disqualification; and
4 (c) Impose the additional tax, if any, provided by statute upon disqualification.
- 5 (8) The Department of Consumer and Business Services, a building official, as defined in ORS
6 455.715 (1), or any other agency or official responsible for the administration and enforcement of the
7 state building code, as defined in ORS 455.010, may not issue a building permit for the construction
8 of a dwelling on a lot or parcel in an exclusive farm use zone without evidence that the owner of
9 the lot or parcel upon which the dwelling is proposed to be constructed has paid the additional tax,
10 if any, imposed by the county assessor under subsection (7)(c) of this section.

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