

Requested by Representative MANNIX

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2316**

1 On page 1 of the printed bill, delete lines 4 through 25.

2 Delete pages 2 through 6 and insert:

3 **“SECTION 1. Definitions. As used in sections 1 to 11 of this 2025**  
4 **Act:**

5 **“(1) ‘Affordable housing’ means dwellings or dwelling units offered**  
6 **for purchase or rent, with or without government assistance, to indi-**  
7 **viduals who are members of low or moderate income households at a**  
8 **sales price or rent that is affordable to those households.**

9 **“(2) ‘Cottage clusters’ has the meaning given that term in ORS**  
10 **197A.420.**

11 **“(3) ‘Home start lands’ mean lands designated by the Oregon De-**  
12 **partment of Administrative Services under section 2 or 3 of this 2025**  
13 **Act.**

14 **“(4)(a) ‘Lands owned by the state’ means real property or interest**  
15 **in real property that is:**

16 **“(A) Subject to ORS 270.100;**

17 **“(B) Controlled by the State Department of Fish and Wildlife;**

18 **“(C) State forestlands that the State Forestry Department controls;**

19 **“(D) Controlled by the Department of Transportation;**

20 **“(E) Controlled by the State Parks and Recreation Department; or**

21 **“(F) Controlled by the Department of State Lands.**

1       **“(b) ‘Lands owned by the state’ does not include real property that**  
2 **is:**

3       **“(A) State lands as classified in ORS 273.251, or is otherwise a part**  
4 **of the Common School Fund;**

5       **“(B) Land held by the state as a trustee;**

6       **“(C) Lands whose use under sections 1 to 11 of this 2025 Act would**  
7 **be unconstitutional or prohibited by or inconsistent with any federal**  
8 **law; or**

9       **“(D) Lands for which the state has only subsurface ownership or**  
10 **mineral rights.**

11       **“(5) ‘Local government’ means:**

12       **“(a) For land within a city’s boundaries, the city; or**

13       **“(b) For all other land not described in paragraph (a) of this sub-**  
14 **section, the county in which the land is located.**

15       **“(6) ‘Low income household’ means a household with income less**  
16 **than or equal to 80 percent of the area median income.**

17       **“(7) ‘Middle housing’ has the meaning given that term in ORS**  
18 **197A.420.**

19       **“(8) ‘Moderate income household’ means a household with income**  
20 **less than or equal to 120 percent and greater than 80 percent of the**  
21 **area median income.**

22       **“(9) ‘Townhouses’ has the meaning given that term in ORS**  
23 **197A.420.**

24       **“(10) ‘Urban growth boundary’ has the meaning given that term in**  
25 **ORS 197.015.**

26       **“SECTION 2. State designation of home start lands. (1)(a) The**  
27 **Oregon Department of Administrative Services shall identify lands**  
28 **owned by the state within urban growth boundaries and designate the**  
29 **lands as home start lands if, in the department’s discretion, the lands**  
30 **have not been used or committed for any permanent state purpose and**

1 are, or could be made to be, better suited for the development of  
2 housing.

3 “(b) In considering whether the lands have not been used or com-  
4 mitted for any permanent state purpose and are, or could be made to  
5 be, better suited for the development of housing, the department shall  
6 consider whether the lands are underutilized or are contiguous lands  
7 that may be combined to accommodate the development of middle  
8 housing.

9 “(2) The department may also identify real property owned by the  
10 state that may be exchanged for real property within urban growth  
11 boundaries and of approximately equal aggregate value. Real property  
12 acquired by the state under this subsection shall be designated by the  
13 department as home start lands.

14 “(3) The department shall confer with any state agency that owns,  
15 manages, operates or is authorized to act on behalf of the state re-  
16 garding the real property prior to designation under this section.

17 “(4) Lands designated as home start lands under this section are  
18 not subject to ORS chapter 270 or any law governing the state or any  
19 agency’s use, management, operation, sale or transfer of lands owned  
20 or operated by the state.

21 “(5) The department may adopt rules administering this section and  
22 sections 3, 6, 7, 8, 9, 10 and 11 of this 2025 Act.

23 **“SECTION 3. Nomination of lands by local governments.** (1) The  
24 Oregon Department of Administrative Services may designate real  
25 property as home start lands if the department finds that the property  
26 complies with the requirements under subsection (2) of this section  
27 and that the local government and property owners have identified a  
28 plan or funding source for the property that is substantially likely to  
29 increase the supply of affordable housing in this state.

30 “(2) Local governments may identify real property within urban

1 growth boundaries that is eligible for designation as home start lands  
2 and may, by ordinance, nominate real property for designation as  
3 home start lands, provided that:

4 “(a) The property is all or a portion of a tract, as defined in ORS  
5 215.010, that is subject to an affordable housing covenant as described  
6 in ORS 456.270 to 456.295 that will make the property, including each  
7 lot or parcel created from the property by division of land:

8 “(A) Developable only for housing that will be made available for  
9 homeownership, for a period of not less than 30 years from the date  
10 of the first sale to a homeowner, to moderate or low income house-  
11 holds at a sales price that is affordable to such households; or

12 “(B) Developable only for rental housing that will be made available  
13 for rent, for a period of not less than 30 years from the date the rental  
14 housing is first occupied, to moderate or low income households at a  
15 rent that is affordable to such households; and

16 “(b) All owners of the property have consented to the designation.

17 “(3) A local government may adopt, by ordinance, regulations for  
18 identifying real property that is eligible for designation as home start  
19 lands consistent with this section.

20 “SECTION 4. Planning and uses of home start lands. (1) Home start  
21 lands may be zoned, divided, combined, developed or used only for  
22 single-family dwellings, duplexes, triplexes, quadplexes, cottage clus-  
23 ters or townhouses.

24 “(2) A local government may adopt, by ordinance, application ap-  
25 proval, siting or development regulations consistent with this section  
26 for the specific purpose of regulating home start lands.

27 “(3) Notwithstanding any zone change or conditional use permit  
28 requirements of the local government, property designated as home  
29 start lands under section 2 or 3 of this 2025 Act may be used for resi-  
30 dential development as provided under this section unless the local

1 **government determines that:**

2 **“(a) Development on the property cannot be adequately served by**  
3 **water, sewer, storm water drainage or streets, or will not be so served**  
4 **adequately when the development on the property is complete;**

5 **“(b) The property contains a slope of 25 percent or greater;**

6 **“(c) The property is within a 100-year floodplain; or**

7 **“(d) The development of the property is constrained by land use**  
8 **regulations based on statewide planning goals related to:**

9 **“(A) Natural disasters and hazards; or**

10 **“(B) Natural resources, including air, water, land or natural areas,**  
11 **but not including open spaces or historic resources.**

12 **“(4) A local government shall allow the residential use of property**  
13 **described in subsection (3) of this section, provided the development:**

14 **“(a) Meets the minimum density requirements for middle housing**  
15 **within the jurisdiction of the local government if the development is**  
16 **for middle housing; and**

17 **“(b) Meets the local government’s clear and objective standards,**  
18 **conditions and procedures regulating the development of housing, as**  
19 **described in ORS 197A.400.**

20 **“(5) An application for development of home start lands must be:**

21 **“(a) Approved or rejected by the governing body of the local gov-**  
22 **ernment; and**

23 **“(b) Approved or rejected within a time frame established by the**  
24 **local government pursuant to ORS 197A.400.**

25 **“(6) Approval or rejection of an application under subsection (5) of**  
26 **this section shall be based on criteria and standards adopted by the**  
27 **local government under subsection (2) of this section and shall be ac-**  
28 **companied by a statement that explains the criteria and standards**  
29 **considered relevant to the decision, states the facts relied upon in**  
30 **rendering the decision and explains the justification for the decision**

1 based on the criteria, standards and facts set forth.

2 “(7) Written notice of the approval or rejection of an application  
3 under subsection (5) of this section shall be given to the applicant.  
4 Notice under this subsection shall comply with ORS 197.797 (3)(a), (c),  
5 (g) and (h) and shall describe the nature of the decision and include  
6 an explanation of appeal rights.

7 “(8) A final decision of a local government on an application under  
8 this section is a land use decision subject to review by the Land Use  
9 Board of Appeals under ORS 197.830 to 197.845.

10 “(9) An approval of a development application under this section  
11 becomes void four years after the date it is issued.

12 “SECTION 5. Termination of home start lands designation. The  
13 designation of real property as home start lands is terminated for real  
14 property if a development application for the property has not been  
15 approved by the local government under section 4 of this 2025 Act  
16 within three years following the property’s designation as home start  
17 lands and:

18 “(1) For property designated under section 2 of this 2025 Act, the  
19 Oregon Department of Administrative Services has issued an order  
20 terminating the designation; or

21 “(2) For property designated under section 3 of this 2025 Act:

22 “(a) The local government has adopted an ordinance terminating  
23 the designation; or

24 “(b) The Oregon Department of Administrative Services has issued  
25 an order terminating the designation.

26 “SECTION 6. Disposition of lands designated as home start lands.

27 (1)(a) The state, through the Oregon Department of Administrative  
28 Services, may sell, transfer, or lease for an initial period not to exceed  
29 99 years all real property designated as home start lands under section  
30 2 of this 2025 Act to housing developers for the purpose of facilitating

1 the development of affordable housing on home start lands. Except  
2 where the department is exchanging real property, the consideration  
3 for the sale, transfer or lease may be any combination of cash and real  
4 property.

5 “(b) A lease agreement entered under this section may be renewed  
6 after the initial period for a period not to exceed 99 years. Nothing in  
7 this subsection obligates or requires the state to renew a lease agree-  
8 ment entered under this section.

9 “(2) The authority to lease property granted by this section includes  
10 authority to lease property not owned or controlled by the state as of  
11 the effective date of the lease agreement. Leases described in this  
12 subsection shall be conditioned on the subsequent acquisition of the  
13 interest covered by the lease.

14 “(3) Before the department sells, transfers or leases real property  
15 under this section, the department shall cause the real property to be  
16 appraised, by an appraiser registered under ORS 308.010, in accordance  
17 with rules adopted by the department.

18 “(4) Property sold, transferred or leased under this section must be  
19 subject to an affordable housing covenant as described in ORS 456.270  
20 to 456.295 that makes the property, including each lot or parcel created  
21 from the property by division of land:

22 “(a) Developable only for housing that will be made available for  
23 homeownership, for a period of not less than 30 years from the date  
24 of the first sale to a homeowner, to moderate or low income house-  
25 holds at a sales price that is affordable to those households;

26 “(b) Developable only for housing units that, for a period of not less  
27 than 30 years from the date of sale to a homeowner, are subject to a  
28 shared equity ownership model under a community land trust and  
29 made available for homeownership to moderate or low income house-  
30 holds at a sales price that is affordable to those households; or

1       “(c) Developable only for rental housing that will be made available  
2 for rent, for a period of not less than 30 years from the date the rental  
3 housing is first occupied, to moderate and low income households at  
4 a rent that is affordable to those households.

5       “(5) If more than one housing developer is interested in real prop-  
6 erty available for sale, transfer or lease under this section, the de-  
7 partment shall conduct a bidding process that includes consideration  
8 of the entity most capable of delivering services and housing options  
9 to conform with the purposes of sections 1 to 11 of this 2025 Act.

10       “(6) The department shall give notice of a proposed sale under this  
11 section not less than once a week for three successive weeks by pub-  
12 lication in one or more newspapers of general circulation in the county  
13 in which the real property is located and in other newspapers, if any,  
14 as the department considers advisable. The notice shall describe gen-  
15 erally and by legal subdivision such real property and the asking price.  
16 The department may accept or reject any proposal.

17       “SECTION 7. Development on home start lands. (1) For real prop-  
18 erty sold, transferred or leased under section 6 of this 2025 Act, the  
19 housing developer shall:

20       “(a) Work to diligently prepare affordable housing by taking nec-  
21 essary steps and engaging contractors to:

22       “(A) Partition, subdivide or replat the lands for the development  
23 of housing under this section; and

24       “(B) Prepare the land for housing, through grading, surveying,  
25 planning, installing infrastructure for residential development on the  
26 land and other activities;

27       “(b) Develop single-family dwellings or middle housing on the land;  
28 and

29       “(c)(A) For housing and real property made available for sale, con-  
30 vey the homes and real property in a manner consistent with the ap-



1 plicable affordable housing covenant under section 6 (4)(a) or (b) of  
2 this 2025 Act and pursuant to the deed restrictions under section 10 (2)  
3 of this 2025 Act; or

4 “(B) For housing made available for rent, lease the rental housing  
5 in a manner consistent with the affordability restriction under section  
6 6 (4)(c) of this 2025 Act.

7 “(2)(a) For real property sold, transferred or leased to a housing  
8 developer under section 6 of this 2025 Act for a nominal amount, the  
9 developer shall assume responsibility for capital improvements, as de-  
10 fined in ORS 223.299, which may be in addition to or in lieu of the  
11 developer’s payment of system development charges, to ensure suffi-  
12 cient infrastructure capacity for anticipated housing on the land.

13 “(b) For real property sold, transferred or leased to a housing de-  
14 veloper under section 6 of this 2025 Act at market rate, the Oregon  
15 Department of Administrative Services shall, as necessary, disburse  
16 or lend moneys for purposes of capital improvements, as defined in  
17 ORS 223.299, which may be in addition to or in lieu of the developer’s  
18 payment of system development charges, to ensure sufficient  
19 infrastructure capacity for anticipated housing on the land.

20 “(3) Notwithstanding the exclusion of developments subject to an  
21 affordable housing covenant from the definition of ‘planned commu-  
22 nity’ under ORS 94.550, housing developed on home start lands under  
23 this section may be made a part of a planned community, provided  
24 that the state or housing developer retains ownership of and respon-  
25 sibility for land to be maintained for public utility or infrastructure  
26 purposes, including a common courtyard required for a cottage clus-  
27 ter. Home start lands subdivided or partitioned and developed as part  
28 of a planned community are subject to the provisions of ORS 94.550 to  
29 94.783.

30 “(4) The department may provide grants and loans for the develop-

1 **ment of affordable housing on home start lands.**

2 **“SECTION 8. Proceeds of sale. (1) The proceeds, less costs, of real**  
3 **property sold by the Oregon Department of Administrative Services**  
4 **under section 6 of this 2025 Act shall be credited to and deposited in**  
5 **the Home Start Lands Fund established under section 9 of this 2025**  
6 **Act.**

7 **“(2) The revenue from the rental or lease of home start lands**  
8 **managed by the department shall be credited to and deposited in the**  
9 **Home Start Lands Fund established under section 9 of this 2025 Act.**

10 **“(3) Notwithstanding subsection (1) or (2) of this section, an agency**  
11 **may negotiate with the department to apply the proceeds of a sale,**  
12 **transfer or lease of home start lands to another capital acquisition of**  
13 **that agency.**

14 **“SECTION 9. Home Start Lands Fund. (1) The Home Start Lands**  
15 **Fund is established in the State Treasury, separate and distinct from**  
16 **the General Fund. Interest earned by the Home Start Lands Fund shall**  
17 **be credited to the fund. Moneys in the fund are continuously appro-**  
18 **propriated to the Oregon Department of Administrative Services for the**  
19 **purpose of implementing sections 1 to 11 of this 2025 Act, including**  
20 **providing grants and loans under section 7 (4) of this 2025 Act.**

21 **“(2) The Home Start Lands Fund consists of:**

22 **“(a) All moneys received under section 8 (1) and (2) of this 2025 Act;**

23 **“(b) Moneys appropriated or otherwise transferred to the fund by**  
24 **the Legislative Assembly; and**

25 **“(c) Other moneys deposited in the fund from any source.**

26 **“SECTION 10. Occupancy requirements for dwellings sold on home**  
27 **start lands. (1) As used in this section, ‘primary residence’ means**  
28 **housing occupied as an individual’s principal dwelling for a cumulative**  
29 **total of at least nine months of the calendar year and that the indi-**  
30 **vidual intends to maintain as the individual’s principal dwelling.**

1       “(2) When a property developed on home start lands becomes  
2 available to sell under section 7 of this 2025 Act, each deed conveying  
3 the property under section 7 of this 2025 Act must:

4       “(a) Require that the property be the homeowner’s primary resi-  
5 dence for a period of not less than five years and that this use be en-  
6 forceable by the city or county in which the property is located and  
7 by the department; and

8       “(b) Grant to the state, through the Oregon Department of Ad-  
9 ministrative Services, a right of first refusal to purchase the property  
10 that shall run concurrent with the applicable affordable housing  
11 covenant under section 6 (4)(a) or (b) of this 2025 Act.

12       “SECTION 11. Collaboration on implementation of sections 1 to 11  
13 of this 2025 Act. (1) The Oregon Department of Administrative Services  
14 shall collaborate with the Department of State Lands on the imple-  
15 mentation of sections 1 to 11 of this 2025 Act.

16       “(2) Upon request by the Oregon Department of Administrative  
17 Services, the Housing Accountability and Production Office shall col-  
18 laborate with the department on establishing program guidance for the  
19 implementation of sections 1 to 11 of this 2025 Act.

20       “(3) The Oregon Department of Administrative Services may enter  
21 into contracts or agreements necessary to:

22       “(a) Seek expert consultation on the implementation of sections 1  
23 to 11 of this 2025 Act; or

24       “(b) Obtain appraisals of real property as required under sections 1  
25 to 11 of this 2025 Act. Appraisals of real property obtained by the de-  
26 partment under sections 1 to 11 of this 2025 Act shall be performed by  
27 an appraiser registered under ORS 308.010.

28       “SECTION 12. Property taxes for land designated as home start  
29 lands. (1)(a) Notwithstanding ORS 307.100 and 307.110, land is exempt  
30 from ad valorem property taxation for any property tax year if the

1 **land:**

2 **“(A) Constitutes home start lands as defined in section 1 of this 2025**  
3 **Act;**

4 **“(B) Has been sold, transferred or leased under section 6 of this 2025**  
5 **Act; and**

6 **“(C) Is used or held for use consistently with applicable provisions**  
7 **of sections 1 to 11 of this 2025 Act.**

8 **“(b)(A) Except as provided in subparagraph (B) of this paragraph,**  
9 **an exemption may be granted under this section for a period not to**  
10 **exceed two consecutive property tax years.**

11 **“(B) The exemption may be granted for each of not more than three**  
12 **succeeding property tax years if construction of affordable housing**  
13 **meeting the requirements of sections 1 to 11 of this 2025 Act is started**  
14 **on the land no later than the end of the second property tax year of**  
15 **the exemption and continues or is completed in each succeeding**  
16 **property tax year.**

17 **“(2)(a) A person seeking an exemption for land under this section**  
18 **must apply to the Oregon Department of Administrative Services for**  
19 **certification that the land is eligible for exemption on the terms set**  
20 **forth in subsection (1) of this section.**

21 **“(b) Application shall be made, on a form provided by the depart-**  
22 **ment, on or before March 1 of each assessment year for which the**  
23 **certification for exemption is sought, except that when the land is**  
24 **acquired after March 1 and before July 1, the application for that year**  
25 **must be filed within 30 days following the date of acquisition.**

26 **“(c) The application must include:**

27 **“(A) A description of the land for which the certification is sought;**

28 **“(B) Any information and documentation the department requires**  
29 **for the purpose of determining the eligibility of the land for the cer-**  
30 **tification; and**

1       “(C) A written declaration made by the applicant, subject to penal-  
2 ties for false swearing, that all information and statements included  
3 in the application are true.

4       “(3)(a) On or before April 1 of the assessment year, or for applica-  
5 tions for land acquired after March 1 and before July 1, within 30 days  
6 following the date the application was filed, the department shall ap-  
7 prove or deny each application for certification and:

8       “(A) Notify each applicant of the approval or denial of the applica-  
9 tion;

10       “(B) For each approved application, certify to the assessor of each  
11 county in which the land to which the application relates is located  
12 that the land is eligible for the exemption; and

13       “(C) For each denied application for land that had previously been  
14 granted exemption under this section for a previous tax year, notify  
15 the county assessor of any information that relates to the previous  
16 grants of exemption.

17       “(b) The denial of an application for certification may not be ap-  
18 pealed.

19       “(4) Upon receipt of certification under subsection (3)(a)(B) of this  
20 section, the county assessor shall exempt the land from ad valorem  
21 property taxation in accordance with the certification.

22       “(5) For each property tax year that land is exempt from taxation  
23 under this section, the county assessor shall enter on the assessment  
24 roll:

25       “(a) The assessed value of the land as if it were not exempt under  
26 this section.

27       “(b) The amount of taxes that would be due if the land were not  
28 exempt.

29       “(c) That the land is exempt and is subject to potential additional  
30 taxes as provided in this section, by adding the notation ‘home start

1 **lands (potential additional tax).'**

2 **“(6)(a) Land may be granted exemption under this section until the**  
3 **earlier of:**

4 **“(A) The end of the fifth consecutive property tax year of ex-**  
5 **emption; or**

6 **“(B) The first property tax year for which the land is denied certi-**  
7 **fication for the exemption under subsection (3) of this section.**

8 **“(b) Land that is no longer exempt by operation of this subsection**  
9 **shall be assessed and taxed as other property similarly situated is as-**  
10 **essed and taxed.**

11 **“(7)(a) Upon discovery by the county or receipt of notice by the**  
12 **department that land received an exemption under this section for a**  
13 **property tax year for which the land was not eligible, the land shall**  
14 **be disqualified for the exemption and there shall be added to the as-**  
15 **essment and tax roll for the next following property tax year, to be**  
16 **collected and distributed in the same manner as the other ad valorem**  
17 **property taxes imposed on the land, an amount equal to the taxes that**  
18 **would have been imposed on the land for each of the tax years for**  
19 **which the land received the exemption.**

20 **“(b) In addition to the additional taxes imposed under this sub-**  
21 **section and any other applicable penalties imposed under law, the**  
22 **county assessor shall impose a penalty, not to exceed five percent of**  
23 **the amount of the additional taxes, in accordance with rules adopted**  
24 **by the department.**

25 **“(c) Notwithstanding paragraphs (a) and (b) of this subsection, if**  
26 **the exemption was granted to ineligible land due to a statement or**  
27 **omission on the part of an applicant for certification that was not in-**  
28 **tentionally misleading:**

29 **“(A) Additional taxes may be imposed only for the years for which**  
30 **the land was ineligible; and**

1       **“(B) Any penalty shall be waived.**

2       **“(d) Additional taxes and any penalty imposed under this subsection**  
3 **shall be deemed assessed and imposed in the year to which the addi-**  
4 **tional taxes relate.**

5       **“(8) The department may adopt any rules the department considers**  
6 **necessary or convenient for the administration of this section.**

7       **“SECTION 13. Captions. The section captions used in this 2025 Act**  
8 **are provided only for the convenience of the reader and do not become**  
9 **part of the statutory law of this state or express any legislative intent**  
10 **in the enactment of this 2025 Act.”.**

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