Legislative Update

May14, 2019

Below are bills of potential interest to the OCPDA Board, with a brief status update and links to relevant information. This list is not intended to be a comprehensive summary of the legislative session. Summaries are drafted by Erin Doyle – except for the summaries HB 2020 of SB 608 – but more information and the text of bills and amendments can be found on the Oregon legislative information system (<https://olis.leg.state.or.us/liz/2019R1>).

[HB 2001](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2001)

Summary

As amended the bill does the following things:

* Requires all cities in Metro with populations greater than 1,000 and all cities with populations greater than 25,000 to allow every lot in a single-family residential zone to allow for a duplex, triplex, quadplex, cottage cluster or townhomes (all of which are defined as “middle housing”), subject to design standards, by June 30, 2022
* Requires cities outside the Metro region with a population between 10,000 and 24,999 to allow for duplexes on all lots in a residential zone that allows for single-family residences, by June 30, 2021
* Allows for a delay for areas of town that do not have sufficient capacity in water, sewer, storm drainage or transportation until such time a plan is in place and executed to fix the capacity concerns
* Requires the Oregon Department of Land Conservation and Development (DLCD) to create a model code for missing middle in single-family residential zones that will be instituted in cities that fail to adopt local codes
* Changes the method for calculating the building capacity of residential lands moving forward to limit the expected redevelopment rate and remove
* Requires Building Codes Division to create a uniform process by which a city or county building official can allow for an alternative path to conversion of a single-family residence into a duplex, triplex, or quadplex
* Requires cities to consider of a variety of incentives to increase development of middle housing
* Clarifies that this up-zoning does not require a comprehensive plan update and cannot trigger an update to a transportation system plan; and
* Provides $3 million in technical assistance funds to support local efforts.

Status

Passed out Joint Ways and Means Transportation and Economic Development Subcommittee with -A21 amendment on June 13. Passed out of Full Joint Ways and Means June 18.

[HB 2003](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2003)

Summary

This bill is focused on creating more data related to housing and creating a regular schedule for cities to review housing strategies. It does the following:

* Requires the state to complete and report on creating a methodology for regional housing analysis across the state.
* Requires cities with populations greater than 10,000 to create a housing production strategy on a regular schedule – every six years for cities within Metro and every eight years for cities outside Metro. Cities that fail to enact these strategies could be subject to an enforcement order by DLCD
* Requires Metro to “allocate” housing capacity to cities with populations greater than 10,000 within its boundary.
* Provides $1.5 million in technical assistance for the first biennium to meet this new requirement.

Status

Passed out Joint Ways and Means Transportation and Economic Development Subcommittee with -A16 amendment on June 12. Passed out of Full Joint Ways and Means June 18.

[HB 2020](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2020)

Summary (this summary was the latest available on the OLIS system. Changes may have been made to the bill after the summary was provided)

Modifies state anthropogenic greenhouse gas (GHG) emissions reduction levels goals to: at least 45 percent below 1990 emission levels by 2035; and at least 80 percent below 1990 emission levels by 2050. Establishes the Joint Committee on Climate Action (Joint Committee) comprised of members appointed by President of Senate and Speaker of House. Establishes Joint Committee responsibilities. Establishes the Climate Policy Office (CPO) in the Department of Administrative Services (DAS). Establishes CPO authority and responsibility. Stipulates CPO under the supervision of a director appointed by the Governor and subject to Senate confirmation. Establishes the Oregon Climate Board (Board) to ensure correspondence among the CPO, public interest, and state climate policies. Establishes membership requirements for ex officio members and nine voting members, appointed by the Governor, subject to Senate confirmation. Establishes Board responsibilities. Declares the purpose of the regulatory and investment portion of the Oregon Climate Action Program (OCAP) is to: a) achieve emission level reductions; b) promote GHG emissions sequestration and mitigation; c) promote adaptation and resilience by natural and working lands, fish and wildlife resources, communities and the economy, state’s infrastructure in the face of climate change and ocean acidification; and d) to provide assistance to households, businesses, and workers impacted by climate change or climate change policies that allow the state to achieve greenhouse gas (GHG) goals. Requires the CPO to adopt OCAP by rule in accordance with the Administrative Procedures Act. Requires OCAP to place a cap on the total regulated anthropogenic GHG emissions through setting allowance budgets starting in 2021 through 2050 and provide a market-based mechanism for covered entities to demonstrate compliance. Stipulates that the annual allowance budget for 2021 must be a number of allowances equal to baseline emissions. Requires allowances available each year to decline by constant amount as necessary during 2022 through 2035 and 2036 through 2050 to accomplish reduction levels. Establishes process for CPO to calculate baseline emissions attributable to covered entities. Requires CPO to designate specified covered entities. Requires CPO Director to adopt rules for the market-based compliance mechanism. Requires all covered or opt-in entities and general market participants to register to participate in the OCAP. Requires CPO to exempt from regulation a cogeneration facility owned or operated by a public university or Oregon Health and Science University. Requires CPO to exclude from regulation GHG emissions from the combustion of aviation, watercraft, or railroad locomotive fuel and emissions attributable to a landfill. Authorizes CPO to exempt anyone that imports a de minimis amount of gasoline and diesel fuel as determined by rule. Requires CPO to allocate a percentage of allowances for each annual allowance budget to be distributed into an allowance price containment reserve. Authorizes the CPO to allocate percentage to voluntary renewable energy generation reserve and requires CPO to adopt rules for allowance distribution that begin operations on or after January 1, 2021. Establishes process and requirements for CPO to allocate allowances. Establishes requirements for CPO to designate a covered or opt-in entity as an emission-intensive, trade-exposed entity (EITE). Requires CPO to complete study on leakage risk. Establishes formula for the annual allocation of allowances for direct distribution at no cost to an EITE entity and specifies basis of annual benchmarked emissions calculations. Establishes conditions for offset projects. Restricts a covered entity use of offset credits to meet compliance obligation to no more than eight percent and to no more than four percent from projects that do not provide direct environmental benefit in Oregon. Authorizes CPO to adopt by rule additional restrictions on offset credits if air contamination source is in impacted community and other conditions are met. Establishes requirements on CPO in adopting offset protocols related to forestry and agriculture and conservation on natural and working lands, and on offset consultation and reporting. Requires CPO by rule, in consultation with Portland State University Population Research Center, Oregon Health Authority, and other relevant agencies and officials, to designate impacted communities. Requires CPO to hold auction at least annually and establishes process and requirements for such auctions, including setting auction floor price, allowance price containment reserve floor price, and hard ceiling price for 2021 and a schedule for prices to increase by fixed percentage each year. Establishes the Auction Proceeds Distribution Fund and distributes as follows: all money that constitutes revenues described in Article IX, section 3a, of the Oregon Constitution, must be transferred to the Transportation Decarbonization Investments Account; all money that constitutes revenues described in Article VIII, section 2 (1)(g), of the Oregon Constitution, must be transferred to the Common School Fund; an amount necessary to administer the OCAP program must be transferred to the Oregon Climate Action Program Operating Fund; and the remainder to the Climate Investments Fund. Prohibits linking with other jurisdiction unless the CPO notifies the Governor of intention to link and the Governor makes certain findings. Requires Governor to issue findings within 45 days of receiving notice and directs Governor to provide findings to Legislative Assembly. Requires Governor to consider advice of the Attorney General in making findings. Prohibits State of Oregon from entering into finalized linkage agreement unless CPO has first provided report on proposed linkage agreement to the Joint Committee that includes certain information. Establishes Oregon Climate Action Program Operating Fund. Establishes the Transportation Decarbonization Investments Account and uses. Establishes the Climate Investments Fund and uses. Establishes wage and labor preferences for use of funds. Establishes the Just Transition Fund and uses. Requires the Higher Education Coordinating Commission to establish a Just Transition Program. Requires no later than January 1 of each even-numbered year, CPO to deliver a Climate Investments Funds biennial report to the Governor and the Joint Committee and ODOT to deliver a Transportation Decarbonization Investments Account biennial report to the OTC, Governor, Joint Committee, and Joint Committee on Transportation. Requires CPO and ODOT to jointly select an independent third-party organization to prepare a biennial audit of all programs, projects, or activities funded by the Climate Investments Fund and the Transportation Decarbonization Investments Account. Directs the CPO to deliver biennial climate action investment plan no later than June 1 of each even-numbered year to the Environmental Justice Task Force (EJTF), the OTC, the Governor, the Joint Committee and the Joint Committee on Transportation. Establishes requirements for investment. Requires first investment plan no later than June 1, 2022. Establishes priorities for investment of moneys from Climate Investment Fund. Requires Governor to consider the climate action investment plan prepared by the CPO in preparing the Governor’s budget. Requires the EJTF to review and develop recommendations in response to the biennial climate action investment plan and deliver a report on the EJTF’s recommendations to the Governor and the Joint Committee no later than August 1 of each even-numbered year. Stipulates requirements on electric company that sells allowances that were directly distributed at no cost to the electric company. Requires the PUC, as trustee, to establish a separate trust account for the benefit of each natural gas utility for proceeds from the sale of allowances consigned to the state for auction by the natural gas utilities. Authorizes PUC to allow a rate or rate schedule of a public utility to include differential rates or to reflect amounts for programs that enable the public utility to assist low-income residential customers. Requires Oregon Housing and Community Services (OHCS) and State Department of Energy to jointly submit to the Governor and the Legislative Assembly a biennial statewide energy burden report no later than November 1 of each even-numbered year and establishes purposes of the report. Revises authority of the Environmental Quality Commission (EQC) to require registration and reporting of certain GHG emissions. Transfers the duties, functions, and powers of EQC and Department of Environmental Quality (DEQ) related to registration and reporting requirements for electricity and fuels (ORS 468A.280) to the CPO. Repeals Energy Facility Siting Council carbon dioxide emissions standards. Requires EQC to adopt by rule standards and requirements for reducing methane gas emissions from landfills. Exempts certain landfills. Abolishes the Oregon Global Warming Commission. Declares intent of the Legislative Assembly that provisions of Act relating to receipt of moneys through the sale of allowances by an auction do not render Act a bill for raising revenue. Authorizes any person who is interested in or affected or aggrieved by or who will be affected or aggrieved by the auctions section of Act to petition for judicial review; confers original jurisdiction on Supreme Court and establishes process for judicial review. Confers original jurisdiction to the Supreme Court to determine whether the auctions conducted under Act impose a tax subject to provisions of Article IX, section 3a of the constitution and authorizes any person who is interested in or affected or aggrieved by or who will be affected or aggrieved by auctions section of Act to petition for judicial review. Establishes process for judicial review. Requires reports: Initial implementation report, GHG emissions reporting program coordination report, offset implementation report, and report on certain exclusions from regulated emissions. Requires ODOT in consultation with the Department of Revenue, the Legislative Revenue Officer, and any other relevant state agencies, to develop a proposal for a program or process for issuing refunds or credits to offset estimated increases in motor vehicle fuel costs attributable to the regulation of motor vehicle fuel producers and importers. Outlines program or process parameters. Requires report be delivered to the Joint Committee and the Joint Committee on Transportation on or before September 15, 2019. Requires OHCS in consultation with the CPO, the Housing Stability Council, and interested stakeholders, to develop a proposal for assisting households that use residential home heating fuels that are not natural gas and provide report to the Joint Committee on or before September 15, 2020. Requires the Oregon Business Development Department (OBDD) to analyze and determine the commercial needs in this state for loans or other financial assistance to commercial and industrial natural gas users or propane users for projects or activities for specified purposes. Requires OBDD to develop a proposal for a program to serve the needs identified in the analysis in a manner that furthers one or more of the purposes of OCAP to be submitted to the Joint Committee on or before September 15, 2020. Appropriates money from the General Fund to the Oregon Department of Administrative Services for the biennium beginning July 1, 2019 for use by the CPO in the development and implementation of the OCAP. Appropriates $250,000 from the General Fund to the Environmental Justice Task Force (EJTF) for the biennium beginning July 1, 2019 which may be used for compensation and expenses incurred by EJTF members who are not members of the Legislative Assembly and for provision by the Governor of clerical and administrative staff support to the EJTF. Establishes certain sections of Act become operative January 1, 2021.

Status

Passed House chamber on June 17. Moves to full Senate for vote.

[HB 2055](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2055) & [HB 2056](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2056)

Summary

These bills, in combination, create a new program called the “Greater Oregon Housing Accelerator.” The purpose of the program is to provide funding for housing development projects that are focused on affordability for middle income/workforce buyers. There would need to be a number of partners including a developer, the city, and a local employer for a project to qualify for the funds. This is an extension of the pilot project the Regional Solutions team completed in 2018 and would provide $15 million for the first biennium.

Status

Passed out of the House Human Services and Housing Committee on March 18. Moved to Joint Ways & Means.

Funding provided in the Oregon Housing and Community Services Department budget.

[HB 2075](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2075)

Summary

HB 2075 establishes the Development Readiness Program in DLCD to provide financial, technical, and other assistance to local governments for land use goals relating to housing and economic development. It would allow DLCD to directly assist local governments with land use goals by: increasing lands available for all types of housing, especially affordable housing; increasing lands available for industrial and commercial uses to promote state and regional economic development, especially for high growth industries; meeting public infrastructure needs; accessing state and other resources that support housing and economic development; analyzing housing and economic development land use resources; and updating comprehensive plans, land use regulations, zoning, urban growth boundaries, public facility plans, and maps.

Status

Passed the House Agriculture and Land Use Committee on March 26 with the -2 amendment. Moved to Joint Ways and Means.

[HB 2109](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2109)

Summary

In cities with requirements to vote on annexations, the vote on annexation of an island that is 100 acres or more will require a majority of votes of support in the city and within the island.

Status

Passed the House floor on a vote of 52-6 on April 10. Hearing held in Senate Environment and Natural Resources on May 2. Did not move before deadline.

[HB 2228](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2228)

Summary

Establishes Local Government Technical Assistance Program within Housing and Community Services Department which will contract with LOC and the Association of Oregon Counties (AOC) to hire regional staff to assist local governments with housing projects ranging from preparing housing strategies to working to development readiness to facilitating stakeholders to create better housing outcomes across the state.

Status

Passed the House Human Services and Housing Committee on March 20 with the -2 amendment. Moved to Joint Ways and Means.

[HB 2306](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2306)

Summary

Requires city or county to issue residential building permits upon substantial completion of construction of public improvements in residential subdivisions. Amendment redefines conditions of development, residential subdivision, and substantial completion. Substantial completion is defined based on the services that must be completed prior to building permits to be provided. Cities may withhold certificates of occupancy until if all conditions of development are not met.

Status

Signed into law by Governor June 17.

[HB 2420](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2420)

Summary

The amended version of HB 2420 does the following:

* Requires the building official be an employee of a government entity, including a council of government;
* Allows multiple jurisdictions to enter into an intergovernmental agreement to jointly hire a building official, if the municipalities are in a geographic region that allows for timely responses;
* Clarifies that a building inspector or plan reviewer can be a third-party provider;
* Subjects all building officials, building inspectors and plan reviewers to the requirements of ORS 244 (Government Ethics Laws), regardless of their employer;
* Increases the base requirements to qualify as building official;
* If the building official does not meet the new requirements, requires the government to also hire a municipal building inspector that meets some of those requirements.
* Requires a local program to provide notice to contractors of a local appeals process for decisions where the appeal is not reserved for the state to hear;
* Requires that a city that currently does not have a municipally employed building official to inform BCD within 90 days of its choice to continue to provide an inspection program:
	+ o If they do not continue, their program will be considered “abandoned” and revert to the county (communities that abandon programs are statutorily barred from providing the services for a period of at least 2 years); or
	+ If they continue, they have until July 1, 2020 to come into compliance
* Legislatively affirms that all building permits and inspections prior to the bill’s passage are valid.

Status

Awaiting a hearing in Senate Rules committee.

[HB 2560](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2560)

Summary

Directs Department of Land Conservation and Development to study methods to mitigate impacts of technology towers on aesthetics.

Status

Passed out of House Agriculture and Land Use Committee on April 9. Moved to Joint Ways and Means.

[HB 2577](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2577)

Summary

Codifies a LUBA decision that requires a three-year waiting period for annexation of property that is zoned to allow residential use as permitted use in zone and is in residential use when annexation is initiated. Allows for property owner to opt to come in sooner and that if the property is transferred it comes into the city immediately

Status

Signed into law by Governor May 30 and became effective as of May 30, 2019.

[HB 2916](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2916)

Summary

Expands the types of structures that can be used within a transitional housing site from yurts to include cabins, huts, and tents. Allows a local government to opt to create more than two parcels that are used for transitional housing sites.

Status

Signed into law by Governor June 17.

[SB 10](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/SB10)

Summary

Establishes permissible density requirements within urban growth boundaries of cities within metropolitan service district or with population more than 10,000 for areas adjacent to transportation corridors and zoned to allow residential development.

Status

Hearing held in Senate Rules Committee on June 5.

[SB 92](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/SB92)

Summary

Authorizes city to provide for as much as 20-year ramp-up to full taxation rate for property in annexed territory. Adds, for purposes of "island annexation," corporate boundaries of another city as permitted portion of boundary surrounding territory to be annexed.

Status

Governor signed into law June 11. Becomes effective January 1, 2020.

[SB 534](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/SB534)

Summary

Requires a city over 25,000 to allow for a single-family dwelling on a lot zoned for such a use, even the lot is a historically platted lot that was developed as part of a combination of lots. Provides specific reasons that a lot might not be developed and allows siting and design standards to apply.

Status

Passed out of House Rules committee on June 18. Moves to House chamber for vote.

[SB 608](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/SB608)

Summary

Prohibits landlord from terminating month-to-month tenancy without cause after 12 months of occupancy. Provides exception for certain tenancies on building or lot used by landlord as residence. Allows landlord to terminate tenancy with 90 days' written notice and payment of one month's rent under certain conditions. Exempts landlord managing four or fewer units from payment of one month's rent. Provides that fixed term tenancy becomes month-to-month tenancy upon ending date if not renewed or terminated. Allows landlord to not renew fixed term tenancy if tenant receives three lease violation warnings within 12 months during term and landlord gives 90 days' notice. Limits rent increases for residential tenancies to one per year. Limits maximum annual rent increase to seven percent above annual change in consumer price index. Requires Oregon Department of Administrative Services to publish maximum annual rent increase percentage. Declares emergency, effective on passage.

Status

Signed by Governor on February 28, 2019. Bill is now in effect.

[SB 927](https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/SB927)

Summary

Allows local governments to develop historic resource program to designate resources for protection. Removes requirement for owner consent to designate resources. Establishes minimum components for program. Requires additional action by local government to designate resources designated on National Register of Historic Places on or after effective date of Act. Requires that existing protections be maintained. Appropriates moneys from General Fund to Land Conservation and Development Commission to provide grants or technical assistance to local governments in developing and implementing program.

Status

Passed out of Senate Natural Resources Committee without recommendation on a 3-2 vote. Moved to Senate Rules.