

**Enrolled**  
**House Bill 2743**

Sponsored by Representative HUFFMAN

CHAPTER .....

AN ACT

Relating to economic development of land adjacent to an airport in a rural area.

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

**SECTION 1.** (1) The Land Conservation and Development Commission shall establish and implement an economic development pilot program. Notwithstanding any statewide land use planning goal provisions specifying requirements for amending urban growth boundaries, the commission shall adopt rules to implement the pilot program. The pilot program is intended to:

- (a) Promote economic development in a rural area; and
- (b) Promote industry growth and job creation.

(2) Under the rules adopted under this section, the commission shall establish a site selection process by which the commission shall select one pilot program site from a city located not less than 100 miles from a city with a population of 300,000 or more and located in a county with at least eight percent unemployment over the preceding five-year period.

(3) A city may nominate a site adjacent to its urban growth boundary for participation in the pilot program.

(4) When nominating a pilot program site for the site selection process, a city shall:

- (a) Submit a concept plan for the pilot program, including a list of goals for the master plan for economic development of the proposed site and any proposed amendments to the comprehensive plan or land use regulations required to implement the master plan; and
- (b) Demonstrate that the proposed pilot program site meets the requirements described in subsection (5) of this section.

(5) The commission shall select a pilot program site that is:

- (a) Adjacent to the city's existing urban growth boundary;
- (b) Adjacent to an airport with an approved airport master plan;
- (c) Near public facilities and services, including roadways; and
- (d) Planned and zoned for commercial or industrial uses that are compatible with aviation uses, as determined by the commission.

**SECTION 2.** (1) Notwithstanding ORS 197.298 and without regard to whether an urban growth boundary already contains a 20-year supply of buildable lands, the Land Conservation and Development Commission by rule may establish an expedited process for amending urban growth boundaries to include the pilot program site selected under section 1 of this 2017 Act.

(2) An amendment to an urban growth boundary pursuant to this section must identify the specific goal and rule requirements related to urban growth boundaries from which the city is exempt for the purpose of implementing the pilot program.

(3) A pilot program site included within an urban growth boundary amended pursuant to this section must:

(a) Be dedicated to economic development; and

(b) Remain planned and zoned for commercial or industrial uses that are compatible with aviation uses as otherwise provided in rules adopted pursuant to section 1 of this 2017 Act.

**SECTION 3.** (1) The city selected to participate in the pilot program by the Land Conservation and Development Commission under section 1 of this 2017 Act shall protect the pilot program site from conversion to other uses before, during and after the implementation of the master plan for economic development, except as provided otherwise in rules adopted by the commission under sections 1 and 2 of this 2017 Act.

(2) The city selected for participation in the pilot program by the commission shall ensure that the commercial or industrial developments on the pilot program site continue to be used to implement the master plan for economic development for a period of at least 50 years after the selection of the pilot program site through:

(a) Zoning restrictions; or

(b) Other regulations, provisions or conditions determined by the city.

(3) The city selected for participation in the pilot program by the commission may:

(a) Annex the land included in the pilot program site.

(b) Rezone the land, or any portion thereof, included in the pilot program site to accommodate the provisions of the city's master plan for economic development.

**SECTION 4.** (1) A city may not use sections 1 to 3 of this 2017 Act to bring high-value farmland, as determined by the commission, within its urban growth boundary.

(2) Sections 1 to 3 of this 2017 Act do not constitute a statutory contract. A pilot program site selected under section 1 of this 2017 Act and a master plan for economic development implemented on a selected pilot program site remain subject to new or additional regulatory requirements authorized by law, statewide land use planning goals and land use regulations implementing the goals.

**SECTION 5.** (1) The Land Conservation and Development Commission shall report on the progress of the pilot program, in the manner provided in ORS 192.245, to the committees of the Legislative Assembly related to housing and human services during the 2022 regular session of the Legislative Assembly.

(2) The commission's report shall, at a minimum, include:

(a) A summary of the pilot program's impact on the city, county and region;

(b) The number of jobs created by the pilot program;

(c) The number of new businesses established within the boundaries of the pilot program site; and

(d) An analysis of the economic growth of the city and county since the implementation of the pilot program.

**SECTION 6.** (1) The City Economic Development Pilot Program Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the City Economic Development Pilot Program Fund shall be credited to the fund. All moneys credited to the City Economic Development Pilot Program Fund are continuously appropriated to the Land Conservation and Development Commission for the purposes described in subsection (3) of this section.

(2) The fund shall consist of:

(a) Moneys appropriated by the Legislative Assembly for deposit in the fund;

(b) Any gifts, contributions or donations made to the State of Oregon for deposit in the fund; and

(c) Earnings on moneys in the fund.

(3) The commission may use the moneys in the fund to finance the establishment and implementation of the pilot program established under section 1 of this 2017 Act.

(4) The commission is authorized to accept gifts, contributions or donations from any person, including any public body as defined in ORS 174.109, for deposit in the fund.

**SECTION 7.** Notwithstanding any other law limiting expenditures, \$90,660 is established for the biennium beginning July 1, 2017, as the maximum limit for payment of expenses for the purposes of sections 1 to 3 and 5 of this 2017 Act from the City Economic Development Pilot Program Fund established under section 6 of this 2017 Act.

**Passed by House July 5, 2017**

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

**Passed by Senate July 7, 2017**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M.,....., 2017

**Approved:**

.....M.,....., 2017

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Kate Brown, Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2017

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Dennis Richardson, Secretary of State