



# Oregon

Theodore R. Kulongoski, Governor

## Department of Land Conservation and Development

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July 27, 2004

TO: Christina Shearer, BAM Analyst

FROM: Lane Shetterly, Director

SUBJECT: Initiative Petition 36 – DLCD Estimate of Fiscal Impact, Supplemental

Yesterday you requested a calculation of the estimated cost of IP 36 claims against this agency due solely to statutes affecting land use. Our memo of July 26 includes an estimate of claims based on statutes, land use goals, and administrative rules. In order to adjust the claims estimate based on land use statutes that would restrict land use regardless of associated administrative rules, we would confine our estimate to farm and forest properties. The 1994 statute (HB 3661) that specified minimum lot sizes for farm and forest properties is currently codified at ORS 215.780.

On page 4 of the memo, we indicate an estimate of 50,228 claims to this agency through the end of the 2006-2007 biennium. This estimate included properties that are zoned rural residential or other types of rural uses, in addition to properties in farm or forest zoning. If we adjust the estimate so that it includes only the estimated number of claims on farm or forest land only, due primarily to ORS 215.780, our new estimate would be for 25,871 claims. Note, this would not take into account other statutes that may also apply on farm or forest property (e.g., statutory standards for the 50+ nonfarm uses allowed in EFU zones and other standards for forest zones under ORS ch. 215, and destination resort laws under ORS ch. 197). Since many of the same properties are affected by several applicable land use statutes, in order to avoid double counting we have been conservative here and only estimated claims based only on ORS 215.780, since that statute has the broadest applicability.

Assuming an average of \$45,000 per claim, as discussed in yesterday's memo, our claims estimate for statutes alone would be: **\$1,164,217,500**. Note, as in our previous memo, this could be expressed as a range, depending on whether or not the legislature waives a statute.