

# HOUSE COMMITTEE ON LAND USE AND REGULATORY FAIRNESS

April 26, 2001  
3:30 p.m.

Hearing Room 357  
Tapes 9 –10

**MEMBERS PRESENT:**     **Rep. Max Williams, Chair**  
                                  **Rep. Kurt Schrader, Vice-Chair**  
                                  **Rep. Chris Beck**  
                                  **Rep. Betsy Close**  
                                  **Rep. Kathy Lowe**  
                                  **Rep. Karen Minnis**  
                                  **Rep. Susan Morgan**

**STAFF PRESENT:**       **Virginia Gustafson Lucker, Counsel**  
                                  **Jane Bodenweiser, Committee Assistant**

**MEASURE/ISSUES HEARD:**     **Land Use Regulatory Compensation Concepts**

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These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 9, A</b>		
004	Chair Williams	Calls the meeting to order at 3:40 p.m.
007	Chair Williams	Introduces the Land Use Regulatory Compensation Concepts <b>(EXHIBIT A)</b> . Explains the concepts in component pieces. Says today's discussion will focus on concepts that could be applied in a prospective way on regulatory takings in a statewide process. Says the second component will address people who have been impacted by regulation (the retroactive component), the third component will be the constitutional issues, and fourth, the revenue sources.
058	Vice Chair Schrader	Explains that the committee is looking at two aspects of the land issue: identifying state lands that might be used for transfer development rights or for value for compensation use, and identifying ownerships prior to 1973.
106	Chair Williams	Comments on the intent of the meeting.
126	Counsel Lucker	Explains this is a prospective piece to be applied primarily in urban areas. Gives a sectional analysis of the concept paper.
187	Rep. Minnis	Asks for an example of a reinterpretation of an existing land use requirement.
193	Counsel Lucker	Gives an example of a setback requirement.
202	Rep. Minnis	Wonders what happens when a taxpayer has been paying taxes on property to the center of a river and it is changed because of navigability.
206	Counsel Lucker	Says that that is a good example of reinterpretation.
218	Rep. Beck	Asks about an enhancement of property value.

224	Counsel Lucker	Replies that that is why it is so important to look at an appraisal which shows the entire value including all regulations that increase as well as decrease the value.
229	Counsel Lucker	Continues with overview.
277	Chair Williams	Explains what is considered a nuisance and that it is not covered in Measure 7.
287	Counsel Lucker	Continues with overview of state liability for any compensation claim.
331	Rep. Beck	Asks for clarification of the compensation threshold.
336	Chair Williams	Explains the three types of compensations outlined in the concept paper.
382	Rep. Morgan	Says that it would be helpful to have a presentation made that would detail these concepts in real life scenarios.
397	Counsel Lucker	Discusses the percentages and how they would apply to cash as well as non-cash compensations.
416	Vice Chair Schrader	Comments that it is important, through ongoing discussion and input, to derive at what is equitable and fair.
432	Chair Williams	Says that it is possible and may be helpful to outline some real life examples for a future meeting.
<b>TAPE 10, A</b>		
012	Counsel Lucker	Continues with overview of types of compensation, and the claims process.
055	Vice Chair Schrader	Explains his understanding that the Attorney General tried to apply retro-activity to Measure 7 and that this concept would take it out.
067	Rep. Minnis	Asks if all the retroactive problems will not be addressed in this legislation.
071	Vice Chair Schrader	Responds that for this portion of the legislation only, the retroactive issue will not be addressed.
096	Counsel Lucker	Continues overview of the "Receipt of Claim" section that addresses liability for payment.
124	Vice Chair Schrader	Discusses his understanding of the hearing process.
138	Counsel Lucker	Explains the appeals process, judicial review, and the effective date of this legislation.
183	Vice Chair Schrader	Comments on a hearing process.
192	Rep. Beck	Talks about the appraisal process and the importance of having credible licensed appraisers.
222	Chair Williams	Wonders if the definition of the appraiser in this concept paper is enough.
228	Rep. Beck	Says that perhaps there should be allowance for a published list, but is concerned that the process needs to be non-adversarial.
246	Chair Williams	Stresses that value is going to be the final product.
280	Rep. Beck	Explains that there is always going to be a certain amount of adversarial confrontation over an appraisal.
299	Rep. Morgan	Says she feels the points laid out in this paper regarding appraisals are very good and straightforward.
323	Rep. Beck	Says that he wants to make sure, if people are going to be compensated, that the taxpayers actually get something for that expenditure, and states that that issue is not addressed in this paper.
358	Chair Williams	Responds that he believes the premise of Measure 7 was that the property owner would be compensated for loss of value by a limitation on its use, not necessarily a land swap or transfer of a development right.

393	Rep. Beck	Expresses his belief that the public needs to get something for their money.
423	Rep. Morgan	Believes the proponents of measure 7 were looking at the issue of regulation with regard to devaluation of their property.
<b>TAPE 9, B</b>		
025	Vice Chair Schrader	Asks if first and second regulations should apply.
034	Chair Williams	Explains that there may be a second set of restrictions placed on a property that would further devalue the property and would therefore justify a second compensation.
057	Rep. Beck	Gives an example for discussion. Explains that if the state is going to pay someone for his or her property the government should take an interest in that property.
097	Rep. Morgan	Says there is compensation to the taxpayers by increased taxes.
132	Chair Williams	Says these meetings are necessary to be able to exchange information and hopes to have regular weekly meetings from now on. Says the rural retroactive piece should be ready for consideration next week.
165	Vice Chair Schrader	Expresses his desire to have committee members as well as the public start marking up the draft and providing input.
197	Rep. Beck	States that he has a hard time discussing a threshold of compensation before knowing what figure we're needing.
220	Chair Williams	Replies that funding is a discussion for a later time.
240	Chair Williams	Adjourns the meeting at 4:55 p.m.

Submitted By,

Reviewed By,

Jane Bodenweiser,  
Committee Assistant

Virginia Gustafson Lucker,  
Counsel

**EXHIBIT SUMMARY**

**A – Land Use Regulatory Compensation Concepts, submitted by staff, 10 pp**