

Report to the 2010 Interim Oregon Legislative Assembly

Guest Ranches in Eastern Oregon
Implementation of Senate Bill 928

A Joint Report of the Department of Land Conservation and
Development, Department of Agriculture, and Travel Oregon

**Submitted to the Senate Environment and Natural Resources
Committee and the House Committee on Agriculture, Natural
Resources and Rural Communities**

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Introduction

In 1997, the Oregon Legislature authorized the establishment of guest ranches in Exclusive Farm Use zones (Chapter 728, Or Laws 1997) as a way to both provide the public an opportunity for a ranch stay experience and allow ranchers to generate a supplementary means of income. The 2001 Oregon Legislature revised this authorization with the passage of SB 928 (Chapter 467) to specifically allow the establishment of a guest ranch in conjunction with an existing and continuing livestock operation that is using accepted livestock practices and qualifies as a farm use under ORS 215.203 in any area zoned for exclusive farm use in eastern Oregon.

This provision was initially to sunset at the end of 2001, however, Senate Bill 928 extended the sunset date to December 31, 2005 to provide more time to review and assess how the law was working. The Department of Land Conservation and Development (DLCD), the Department of Agriculture (ODA), and the Oregon Economic and Community Development Department (OECDD) prepared a joint report providing a review and assessment of guest ranch implementation in January of 2005, and submitted it to the Senate Environment and Land Use Committee and the House Land Use Committee.

In 2005, the Oregon Legislature further refined guest ranch legislation with the passage of SB 538 (Chapter 258), which also extended the sunset date to January 2, 2010 and required the submission by DLCD, ODA and OECDD of a report to it on guest ranches in 2007 and 2009. Travel Oregon has since been created and now serves the co-reporting function. The requested reports were not prepared in 2007 and 2009. Instead, this 2010 report on guest ranches in eastern Oregon has been prepared to update the 2005 report and will be submitted to the 2010 interim Legislative Assembly.

Summary of Guest Ranch Legislation

The guest ranch legislation, as amended by SB 928 and SB 258, permits the establishment of a guest ranch in an exclusive farm use zone in eastern Oregon provided it is in conjunction with an existing and continuing livestock operation, and provided it meets the following conditions:

- “(a) Except as provided in (c) of this subsection, the guest lodging units cumulatively shall:
 - (A) Include not less than four nor more than 10 overnight guest lodging units; and
 - (B) Not exceed a total of 12,000 square feet in floor area, not counting against the limit of 12,000 square feet of floor area of a guest lodging unit in a lodge that is dedicated to kitchen area, rest rooms, storage or other shared indoor space.

- (b) The guest ranch shall be located on a lawfully created parcel:
 - (A) That is at least 160 acres;
 - (B) That is the parcel containing the dwelling of the person conducting the livestock operation; and
 - (C) That is not classified as high-value farmland as defined in ORS 215.710.

- (c) For each doubling of the initial 160 acres required under paragraph (b) of this subsection, up to five additional overnight guest lodging units not exceeding a total of 6,000 square feet of floor

area may be added to the guest ranch for a total of not more than 25 guest lodging units and 30,000 square feet of floor area.

- (e) A guest ranch may provide recreational activities that can be provided in conjunction with the livestock operation's natural setting, including but not limited to hunting, fishing, hiking, biking, horseback riding, camping or swimming. Intensively developed recreational facilities, such as golf courses as identified in ORS 215.283, shall not be allowed. A campground as described in ORS 215.283 (2)(c) shall not be allowed in conjunction with a guest ranch, and a guest ranch shall not be allowed in conjunction with an existing golf course under ORS 215.283 (2)(e) or with an existing campground under ORS 215.283 (2)(c).
- (f) Food services shall be incidental to the operation of the guest ranch and shall be provided only for the guests of the guest ranch, individuals accompanying the guests and individuals attending a special event at the guest ranch. The cost of meals, if any, provided to guests of the guest ranch, individuals accompanying the guests and individuals attending a special event at the guest ranch may be included in the fee to visit or stay at the guest ranch. A guest ranch may not sell individual meals to an individual who is not a guest of the guest ranch, an individual accompanying a guest or an individual attending a special event at the guest ranch.
- (g) Approval of a guest ranch shall be subject to the provisions of ORS 215.296 (1) and (2) and other approval or siting standards of the county."

The Oregon Legislative Assembly approached SB 928 as a pilot program, limiting the size and geographic scope for implementing the provision for guest ranches. Specifically, the legislature adopted the following definitions:

- (a) "Eastern Oregon" shall have the meaning provided in ORS 321.405.
- (b) "Guest lodging unit" means guests rooms in a lodge, bunkhouse, cottage or cabin used only for transient overnight lodging and not for a permanent residence.
- (c) "Guest ranch" means a facility for overnight guest lodging units, including passive recreational activities and food services, as set forth in subsections (2) to (4) of this section, that are incidental and accessory to an existing livestock operation that qualifies as a farm use under ORS 215.203.
- (c) "Livestock" means cattle, sheep, horses and bison."

Implementation of the Guest Ranch Legislation

Between 1998 and 2007, 11 guest ranches were approved under the provisions of this law; the figures for 2008 and 2009 are not yet available. The smallest guest ranch was approved on a 155-acre ranch and the largest on over 10,000 acres of ranch. Excluding the smallest and largest acreages, the average approved guest ranch size is 2,206 acres. The following table details the eleven guest ranches approved under the provisions of the guest ranch law.

Year	County	Applicant	Acreage	Rooms/Cottages
1998	Baker	Phillips*	160	8-10
1998	Baker	Racey	1,650	5
1999	Lake	Haas	1,759	4-25
1999	Deschutes	Bloomfeldt	540	5
2001	Gilliam	Macnab	2,790	7
2001	Gilliam	Mikkalo*	2,181	2
2001	Harney	GI Ranch	9,203	8
2001	Baker	Hoffman*	10,000 +	8
2002	Deschutes	Herman*	160	10
2005	Crook	Fildes	1,311+	4
2006	Deschutes	Jackson	257	4

As the table shows, the guest ranch approvals are in six counties, with a combined total of 65 to 88 lodging units approved. The guest ranches noted above with an asterisk * are no longer in operation or have been converted to bed-and-breakfast establishments.

DLCD is not aware of any pattern of problems or violations concerning the approved guest ranches, such as the provision of restaurants or intensively-developed recreational facilities. However, a few guest ranches have RV parking sites, which are not permitted.

Litigation under the Guest Ranch Legislation

One guest ranch was the subject of an appeal to LUBA. *Durdan v. Deschutes County*, 43 Or LUBA 248 (2002) established that:

- 1) Evidence that a livestock operation is conducted on a parcel for part of the year as part of livestock rotation is sufficient to establish that the property contains an existing livestock operation;
- 2) Nothing in the statute prohibits a livestock operation from being part of a larger operation on non-contiguous properties;
- 3) The statute does not require that the dwelling of the livestock operator exist on the date of application for the guest ranch so long as it is completed prior to construction of the guest ranch; and
- 4) The statute does not allow provision of food services to visitors who are not overnight guests (*However, the passage of SB 538 in 2005 effectively modifies this finding by amending the guest ranch statute to now allow the provision of meals for individuals accompanying guests and individuals attending special events*).

Conclusion

The implementation of the Guest Ranch law has resulted in the approval of eleven guest ranches in six counties, involving an average of 2,206 acres per guest ranch. Approvals were given for 65 to 88 lodging units as part of these guest ranches. At least four approved guest ranches are no longer in operation.

Since compliance with the statute has been generally good, DLCDC, ODA and Travel Oregon recommend that the Legislature hear from any interested parties with respect to the Guest Ranch statute and, if appropriate, reauthorize its use and continue to monitor its implementation.

Additional information about the guest ranch approvals described in this report is available from the Department of Land Conservation and Development. Please direct any questions to: Katherine Daniels, Farm and Forest Lands Specialist, DLCDC, 503-373-0050 x 329 or katherine.daniels@state.or.us