

House Bill 2525

Sponsored by Representatives TOMEI, BONAMICI; Representatives BUCKLEY, CANNON, DINGFELDER, GALIZIO, GELSER, GREENLICK, NOLAN, SHIELDS, WITT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Adds schools and classrooms providing kindergarten through grade 12 education to definition of "capital improvements" for which system development charges may be imposed.

Provides that amount of system development charges collected as school improvement fee may not exceed amount required to acquire land or construct school buildings and classrooms for development from which fee is collected.

Allows exemption for affordable housing.

A BILL FOR AN ACT

1
2 Relating to system development charges; creating new provisions; and amending ORS 223.299.

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

4 **SECTION 1.** ORS 223.299 is amended to read:

5 223.299. As used in ORS 223.297 to 223.314:

6 (1)(a) "Capital improvement" means **public** facilities or assets used for the following:

7 (A) Water supply, treatment and distribution;

8 (B) Waste water collection, transmission, treatment and disposal;

9 (C) Drainage and flood control;

10 (D) Transportation; *[or]*

11 (E) Parks and recreation*[,]*; **or**

12 **(F) Schools and classrooms providing education for kindergarten through grade 12.**

13 (b) "Capital improvement" does not include costs of the operation or routine maintenance of
14 capital improvements.

15 (2) "Improvement fee" means a fee for costs associated with capital improvements to be con-
16 structed.

17 (3) "Reimbursement fee" means a fee for costs associated with capital improvements already
18 constructed, or under construction when the fee is established, for which the local government de-
19 termines that capacity exists.

20 (4)(a) "System development charge" means a reimbursement fee, an improvement fee or a com-
21 bination thereof assessed or collected at the time of increased usage of a capital improvement or
22 issuance of a development permit, building permit or connection to the capital improvement. "System
23 development charge" includes that portion of a sewer or water system connection charge that is
24 greater than the amount necessary to reimburse the local government for its average cost of in-
25 specting and installing connections with water and sewer facilities.

26 (b) "System development charge" does not include any fees assessed or collected as part of a
27 local improvement district or a charge in lieu of a local improvement district assessment, or the cost
28 of complying with requirements or conditions imposed upon a land use decision, expedited land di-

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 vision or limited land use decision.

2 **SECTION 2.** Section 3 of this 2007 Act is added to and made a part of ORS 223.297 to
3 **223.314.**

4 **SECTION 3.** (1) A system development charge that is imposed and collected as an im-
5 **provement fee for schools and classrooms providing education for kindergarten through**
6 **grade 12 may be used to acquire land or to construct school buildings and classrooms. The**
7 **amount of the system development charge collected under this section from a particular**
8 **residential development or development project may not exceed the amount required to ac-**
9 **quire land and construct school buildings and classrooms for the residential development or**
10 **development project.**

11 (2) A system development charge that is imposed and collected as an improvement fee
12 for schools and classrooms providing education for kindergarten through grade 12 must be
13 imposed in a manner that exempts affordable housing.

14 (3) As used in this section, “affordable housing” means housing built for individuals with
15 incomes that are equal to or less than 80 percent of the median income in the county in
16 which the individuals reside and for which payments do not exceed 30 percent of the monthly
17 income of the individuals occupying the housing.

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