

D R A F T

SUMMARY

Authorizes local governments to assess system development charges for disaster resilience and mitigation. Requires 10 percent of system development charges for disaster resilience and mitigation to be spent on state disaster resilience and mitigation priorities and 90 percent to be spent on local and regional disaster resilience and mitigation priorities.

A BILL FOR AN ACT

1
2 Relating to system development charges for disaster resilience; amending
3 ORS 223.299 and 223.307.

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

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

6 223.299. As used in ORS 223.297 to 223.314:

7 (1)(a) “Capital improvement” means facilities or assets used for the fol-
8 lowing:

9 (A) Water supply, treatment and distribution;

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

11 (C) Drainage and flood control;

12 (D) Transportation; *[or]*

13 (E) Parks and recreation~~[.]~~; **or**

14 **(F) Disaster resilience and mitigation.**

15 (b) “Capital improvement” does not include costs of the operation or
16 routine maintenance of capital improvements.

17 **(2) “Disaster resilience and mitigation” means work done to antic-**
18 **ipate or reduce risks to property and health resulting from disasters,**
19 **including but not limited to earthquakes, landslides, avalanches,**

1 **volcanic eruptions, floods and other hydrological disasters, storms and**
2 **other meteorological disasters, wildfires and attack.**

3 [(2)] (3) "Improvement fee" means a fee for costs associated with capital
4 improvements to be constructed.

5 [(3)] (4) "Reimbursement fee" means a fee for costs associated with capital
6 improvements already constructed, or under construction when the fee is
7 established, for which the local government determines that capacity exists.

8 [(4)(a)] (5)(a) "System development charge" means a reimbursement fee,
9 an improvement fee or a combination thereof assessed or collected at the
10 time of increased usage of a capital improvement or issuance of a develop-
11 ment permit, building permit or connection to the capital improvement.
12 "System development charge" includes that portion of a sewer or water sys-
13 tem connection charge that is greater than the amount necessary to reim-
14 burse the local government for its average cost of inspecting and installing
15 connections with water and sewer facilities.

16 (b) "System development charge" does not include any fees assessed or
17 collected as part of a local improvement district or a charge in lieu of a local
18 improvement district assessment, or the cost of complying with requirements
19 or conditions imposed upon a land use decision, expedited land division or
20 limited land use decision.

21 **SECTION 2.** ORS 223.307 is amended to read:

22 223.307. (1) Reimbursement fees may be spent only on capital improve-
23 ments associated with the systems for which the fees are assessed including
24 expenditures relating to repayment of indebtedness.

25 (2) Improvement fees may be spent only on capacity increasing capital
26 improvements, including expenditures relating to repayment of debt for such
27 improvements. An increase in system capacity may be established if a capital
28 improvement increases the level of performance or service provided by ex-
29 isting facilities or provides new facilities. The portion of the improvements
30 funded by improvement fees must be related to the need for increased ca-
31 pacity to provide service for future users.

1 (3) System development charges may not be expended for costs associated
2 with the construction of administrative office facilities that are more than
3 an incidental part of other capital improvements or for the expenses of the
4 operation or maintenance of the facilities constructed with system develop-
5 ment charge revenues.

6 (4) Any capital improvement being funded wholly or in part with system
7 development charge revenues must be included in the plan and list adopted
8 by a local government pursuant to ORS 223.309.

9 (5) Notwithstanding subsections (1) and (2) of this section, system devel-
10 opment charge revenues may be expended on the costs of complying with the
11 provisions of ORS 223.297 to 223.314, including the costs of developing system
12 development charge methodologies and providing an annual accounting of
13 system development charge expenditures.

14 **(6) In addition to the requirements of subsections (1) to (4) of this**
15 **section, system development charges for disaster resilience and miti-**
16 **gation shall be spent as follows:**

17 **(a) Ten percent shall be spent on state disaster resilience and miti-**
18 **gation priorities; and**

19 **(b) Ninety percent shall be spent on disaster resilience and miti-**
20 **gation priorities of the local government that imposes the system de-**
21 **velopment charge or of the region in which the local government is**
22 **located.**

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