

## HB 3387 A STAFF MEASURE SUMMARY

### House Committee On Human Services and Housing

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**Action Date:** 04/06/17

**Action:** Do pass with amendments  
and be referred to Ways and Means by prior reference. (Printed A-Eng.)

**Vote:** 6-0-3-0

**Yeas:** 6 - Keny-Guyer, Meek, Nearman, Olson, Sanchez, Stark

**Exc:** 3 - Gorsek, Noble, Piluso

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact

**Prepared By:** Cassandra Soucy, LPRO Analyst

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#### WHAT THE MEASURE DOES:

Establishes Task Force on System Development Charges (Task Force) to review existing law and policy relating to system development charges imposed by local governments in Oregon. Specifies Task Force membership and staff support. Outlines provisions for Task Force to consider regarding system development charges. Directs state agencies to assist Task Force. Effective 91st day following sine die and is repealed December 31, 2018.

#### ISSUES DISCUSSED:

- Use of system development charges
- Implementation of system development charges at the local level
- Payment structures of system development charges

#### EFFECT OF AMENDMENT:

Adds a member who is a public or private sector professional and adds an additional task force member representing the League of Oregon Cities.

#### BACKGROUND:

System development charges (SDCs) are reimbursement fees, improvement fees or a combination of fees assessed or collected at the time of increased usage of a capital improvement or issuance of a development permit, building permit or connection to the capital improvement. SDCs include that portion of a sewer or water system connection charge that is greater than the amount necessary to reimburse the local government for its average cost of inspecting and installing connections with water and sewer facilities. SDCs do not include any fees assessed or collected as part of a local improvement district or a charge in lieu of a local improvement district assessment, or the cost of complying with requirements or conditions imposed upon a land use decision, expedited land division or limited land use decision. Local governments are authorized to establish system development charges to provide equitable funding for orderly growth and development in Oregon's communities and to establish that the charges may be used only for capital improvements. Oregon law requires revenues produced from SDCs to be expended on capital improvements associated with the systems for which the fees are assessed.

House Bill 3387 A establishes the Task Force on System Development Charges (Task Force) to review existing law and policy relating to system development charges imposed by local governments in Oregon. The measure specifies Task Force membership, staff support and state agencies to assist the Task Force. Provisions for Task Force to consider regarding system development charges include statute changes, affordable housing issues, infrastructure funding, collection methodology and review approaches from other states.