

HB 3040 A STAFF MEASURE SUMMARY

House Committee On Economic Recovery and Prosperity

Action Date: 04/13/21

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

Vote: 8-0-0-0

Yeas: 8 - Cate, Clem, Kropf, Levy, Lively, Prusak, Ruiz, Wallan

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 3/16, 4/1, 4/8, 4/13

WHAT THE MEASURE DOES:

Requires the Oregon Housing and Community Services Department (OHCS) to conduct a comprehensive study of system development charges (SDCs) in consultation with the Department of Land Conservation and Development, Department of Environmental Quality, Department of Revenue, and the Oregon Business Development Department. Specifies the scope of the study, including the role of SDCs and their fee rates. Specifies the minimum requirements of the study, including the history of the charges, methodologies for setting the fees, the impact of charges on overall housing costs, the costs and benefits of payment deferrals, and aspects of transparency related to fee rates. Requires OHCS to provide a preliminary report by December 31, 2021 and a final report by June 1, 2022. Requires any local entity that charges SDCs to provide, starting on January 1, 2022, specified information related to SDCs either through a publicly accessible website or available to the public free of charge upon request. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Impact of system development charges on housing costs
- Projects funded through system development charges
- Housing supply

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

System development charges (SDCs) are one-time fees charged on new development, and certain types of redevelopment, to help pay for existing and planned infrastructure to serve the development. SDCs are one means available to local governments for financing growth. State law authorizes local governments (cities, counties, and special districts) to assess SDCs; specifies how, when, and for what improvements they can be imposed; and provides guidelines on the calculation and modification of SDCs. Depending on the project, SDCs may increase the budget of a project.

House Bill 3040 A requires the Oregon Housing and Community Services Department to conduct a comprehensive study of SDCs and provide a preliminary report by December 31, 2021 and a final report by June 1, 2022.