

# D R A F T

## SUMMARY

Digest: The Act makes OHCS guarantee a local government's collection of a fee to be paid by a home builder on a delayed schedule. The Act goes into effect when the Governor signs it. (Flesch Readability Score: 69.5).

Requires Housing and Community Services Department to guarantee local governments deferral of system development charges for housing developments. Becomes operative January 1, 2025.

Establishes Municipal Development Protection Fund for such purposes. Appropriates moneys to the fund.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

Relating to housing; and declaring an emergency.

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

**SECTION 1. Sections 2 and 3 of this 2024 Act are added to and made a part of ORS chapter 458.**

**SECTION 2. (1) The Housing and Community Services Department shall purchase from a local government the right to collect a past-due debt from a developer, if based on a deferred system development charge as described in subsection (2) of this section. In purchasing a debt under this section, the department shall pay the amount originally due.**

**(2) For a debt to be eligible for purchase by the department under this section, it must arise from an agreement between a local government and a developer, in a form required by the department, in which the parties agree that:**

**(a) The developer will construct one or more dwelling units.**

1 (b) The local government will defer the collection of a system de-  
2 velopment charge, as defined in ORS 223.299, from the developer until  
3 a 180 days after the date that any dwelling unit in the development  
4 project has been certified for occupancy.

5 (c) The developer will not pay any interest or fees on the system  
6 development charge based on the charge's deferral.

7 (d) If the debt becomes owed to the department under this section,  
8 the department will assess an additional 20 percent fee on the past-due  
9 balance plus interest on all amounts at the rate specified in ORS  
10 82.010.

11 (3) Upon purchasing a debt under this section, the department shall  
12 assess the fees and interest allowed under subsection (2)(d) of this  
13 section and make reasonable efforts to collect the debt, including as-  
14 signing the debt to the Department of Revenue for collection under  
15 ORS 293.250.

16 (4) Payments made by the Housing and Community Services De-  
17 partment to purchase and collect the debt under this section must be  
18 paid from available moneys in the Municipal Development Protection  
19 Fund established under section 3 of this 2024 Act. The net amount of  
20 moneys collected under this section must be credited to the fund.

21 (5) Moneys received by a local government under this section must  
22 be treated as payments of the system development charge and used for  
23 the purposes allowed under ORS 223.307.

24 (6) As used in this section "local government" means any local  
25 government as defined in ORS 174.116 that is authorized to impose or  
26 collect a system development charge under ORS 223.297 to 223.316.

27 **SECTION 3.** (1) The Municipal Development Protection Fund is es-  
28 tablished in the State Treasury, separate and distinct from the General  
29 Fund.

30 (2) The Municipal Development Protection Fund consists of moneys  
31 collected by the Housing and Community Services Department under

1 **section 2 of this 2024 Act and moneys appropriated, allocated, deposited**  
2 **or transferred to the fund by the Legislative Assembly or otherwise.**  
3 **Interest earned by the fund is credited to the fund.**

4 **(3) Moneys in the fund are continuously appropriated to the de-**  
5 **partment to administer the fund and to implement section 2 of this**  
6 **2024 Act.**

7 **SECTION 4. In addition to and not in lieu of any other appropri-**  
8 **ation, there is appropriated to the Housing and Community Services**  
9 **Department, for the biennium ending June 30, 2025, out of the General**  
10 **Fund, the amount of \$\_\_\_, for deposit into the Municipal Development**  
11 **Protection Fund established under section 3 of this 2024 Act.**

12 **SECTION 5. (1) Section 2 of this 2024 Act becomes operative on**  
13 **January 1, 2025.**

14 **(2) The Housing and Community Services Department may take any**  
15 **action before the operative date specified in subsection (1) of this sec-**  
16 **tion that is necessary to enable the department to exercise, on and**  
17 **after the operative date specified in subsection (1) of this section, all**  
18 **of the duties, functions and powers conferred on the department by**  
19 **sections 2 and 3 of this 2024 Act.**

20 **(3) On or before January 1, 2025, the department shall adopt rules**  
21 **and model forms of agreements to implement section 2 of this 2024**  
22 **Act.**

23 **(4) Section 2 of this 2024 Act applies only to agreements between a**  
24 **local government and a developer entered into on or after January 1,**  
25 **2025.**

26 **SECTION 6. This 2024 Act being necessary for the immediate pres-**  
27 **ervation of the public peace, health and safety, an emergency is de-**  
28 **clared to exist, and this 2024 Act takes effect on its passage.**

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