

**A-Engrossed**  
**House Bill 3505**

Ordered by the House March 13  
Including House Amendments dated March 13

Sponsored by Representative MARSH

**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. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest: The Act would bar an SDC for putting in a home fire sprinkler system that meets a certain national standard. The Act would bar an SDC for the increase in the capacity of the system's water meter over the water meter that would otherwise be required. (Flesch Readability Score: 62.1).**

*[Digest: The Act tells OHCS to study housing. (Flesch Readability Score: 90.9).]*

*[Requires the Housing and Community Services Department to study housing and to report to the interim committees of the Legislative Assembly related to housing by September 15, 2026.]*

**Provides that a local government may not impose or increase a system development charge for the installation of a National Fire Protection Association 13D residential fire sprinkler system or for the increase in capacity of the system's water meter over the capacity of the water meter that would otherwise be required.**

**A BILL FOR AN ACT**

1  
2 Relating to housing; amending ORS 223.301.

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

4 **SECTION 1.** ORS 223.301 is amended to read:

5 223.301. (1) As used in this section, "employer" means any person who contracts to pay  
6 remuneration for, and secures the right to direct and control the services of, any person.

7 (2) A local government may not establish or impose a system development charge that requires  
8 an employer to pay a reimbursement fee or an improvement fee based on:

9 (a) The number of individuals hired by the employer after a specified date; or

10 (b) A methodology that assumes that costs are necessarily incurred for capital improvements  
11 when an employer hires an additional employee.

12 (3) A methodology set forth in an ordinance or resolution that establishes an improvement fee  
13 or a reimbursement fee shall not include or incorporate any method or system under which the  
14 payment of the fee or the amount of the fee is determined by the number of employees of an em-  
15 ployer without regard to new construction, new development or new use of an existing structure by  
16 the employer.

17 (4) A local government may not impose a system development charge for increased use of a  
18 transportation facility that results from the production of marijuana on a property located in an  
19 exclusive farm use zone.

20 **(5) A local government may not impose or increase a system development charge for:**

21 **(a) The installation of a National Fire Protection Association 13D residential fire sprin-**  
22 **kler system; or**

23 **(b) The difference between the increased capacity of a water meter required by the fire**

**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 **sprinkler system and the capacity of the water meter that would be required for the dwelling**  
2 **without the fire sprinkler system installed.**

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