



House Committee On
Housing and Homelessness
Oregon State Legislature
900 Court St. NE
Salem, OR 97301

March 4, 2025

RE: Limiting System Development Charges – Oppose HB 3505 -2

Chair Marsh, Vice-Chairs Andersen and Breese-Iverson, and Committee Members,

The League of Oregon Cities (LOC) is a member organization representing all 241 cities in Oregon, and we respectfully submit our opposition to House Bill 3505 -2. We have concerns about legislation that could restrict a city's ability to assess System Development Charges (SDCs).

SDCs are a critical tool for funding the infrastructure necessary to support growing communities, including water and wastewater. The LOC does recognize and appreciate the public safety argument being made in support of this bill. Limiting our members' ability to collect an SDC, however, is problematic for a couple of reasons.

The federal cost share of water utility capital investment has decreased from over 60 percent in the late 1970's to less than 10 percent in recent years – despite investments like the Infrastructure Investment and Jobs Act. Our members' available tools for being able to fund infrastructure are very limited.

Again, while we acknowledge the importance of fire safety and the need to encourage fire sprinklers, we believe that local governments should retain the flexibility to assess and collect SDCs based on the needs and circumstances of their communities.

Thank you for your time and consideration.

Many thanks,
Michael Martin
League of Oregon Cities
Lobbyist