

House Bill 3394

Sponsored by COMMITTEE ON RULES (at the request of House Committee on Veterans and Emergency Preparedness)

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 **as introduced**.

Authorizes local governments to assess system development charges for disaster resilience and mitigation. Requires 10 percent of system development charges for disaster resilience and mitigation to be spent on state disaster resilience and mitigation priorities and 90 percent to be spent on local and regional disaster resilience and mitigation priorities.

A BILL FOR AN ACT

Relating to system development charges for disaster resilience; amending ORS 223.299 and 223.307.

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

SECTION 1. ORS 223.299 is amended to read:

223.299. As used in ORS 223.297 to 223.314:

(1)(a) "Capital improvement" means facilities or assets used for the following:

(A) Water supply, treatment and distribution;

(B) Waste water collection, transmission, treatment and disposal;

(C) Drainage and flood control;

(D) Transportation; *[or]*

(E) Parks and recreation[.]; **or**

(F) Disaster resilience and mitigation.

(b) "Capital improvement" does not include costs of the operation or routine maintenance of capital improvements.

(2) "Disaster resilience and mitigation" means work done to anticipate or reduce risks to property and health resulting from disasters, including but not limited to earthquakes, landslides, avalanches, volcanic eruptions, floods and other hydrological disasters, storms and other meteorological disasters, wildfires and attack.

[(2)] **(3)** "Improvement fee" means a fee for costs associated with capital improvements to be constructed.

[(3)] **(4)** "Reimbursement fee" means a fee for costs associated with capital improvements already constructed, or under construction when the fee is established, for which the local government determines that capacity exists.

[(4)(a)] **(5)(a)** "System development charge" means a reimbursement fee, an improvement fee or a combination thereof 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. "System development charge" includes 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.

(b) "System development charge" does not include any fees assessed or collected as part of a

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 local improvement district or a charge in lieu of a local improvement district assessment, or the cost
2 of complying with requirements or conditions imposed upon a land use decision, expedited land di-
3 vision or limited land use decision.

4 **SECTION 2.** ORS 223.307 is amended to read:

5 223.307. (1) Reimbursement fees may be spent only on capital improvements associated with the
6 systems for which the fees are assessed including expenditures relating to repayment of indebt-
7 edness.

8 (2) Improvement fees may be spent only on capacity increasing capital improvements, including
9 expenditures relating to repayment of debt for such improvements. An increase in system capacity
10 may be established if a capital improvement increases the level of performance or service provided
11 by existing facilities or provides new facilities. The portion of the improvements funded by im-
12 provement fees must be related to the need for increased capacity to provide service for future us-
13 ers.

14 (3) System development charges may not be expended for costs associated with the construction
15 of administrative office facilities that are more than an incidental part of other capital improvements
16 or for the expenses of the operation or maintenance of the facilities constructed with system devel-
17 opment charge revenues.

18 (4) Any capital improvement being funded wholly or in part with system development charge
19 revenues must be included in the plan and list adopted by a local government pursuant to ORS
20 223.309.

21 (5) Notwithstanding subsections (1) and (2) of this section, system development charge revenues
22 may be expended on the costs of complying with the provisions of ORS 223.297 to 223.314, including
23 the costs of developing system development charge methodologies and providing an annual ac-
24 counting of system development charge expenditures.

25 **(6) In addition to the requirements of subsections (1) to (4) of this section, system de-**
26 **velopment charges for disaster resilience and mitigation shall be spent as follows:**

27 **(a) Ten percent shall be spent on state disaster resilience and mitigation priorities; and**

28 **(b) Ninety percent shall be spent on disaster resilience and mitigation priorities of the**
29 **local government that imposes the system development charge or of the region in which the**
30 **local government is located.**

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