

Requested by Representative LIVELY

**PROPOSED AMENDMENTS TO
HOUSE BILL 3040**

1 Delete lines 4 through 11 of the printed bill and insert:

2 **“SECTION 1. (1)(a) The Housing and Community Services Depart-**
3 **ment shall conduct a study of system development charges, and their**
4 **relation to other cost and feasibility drivers, to determine best prac-**
5 **tices for fostering the development of affordable housing.**

6 **“(b) The Housing and Community Services Department may study:**

7 **“(A) Other cost drivers as they relate to system development**
8 **charges, including, but not limited to, infrastructure needs, the impact**
9 **of the land use planning system, the costs of materials and labor and**
10 **regional economic conditions;**

11 **“(B) How the effects of Ballot Measures 5 and 50 on ad valorem**
12 **property tax rates affects rate setting for system development charges;**
13 **and**

14 **“(C) How manufactured housing should be assessed for purposes of**
15 **system development charges.**

16 **“(c) The Housing and Community Services Department may con-**
17 **tract with a third party to complete the study, or any portion of the**
18 **study.**

19 **“(2) As part of the study, the department shall develop recommen-**
20 **dations, which may include recommendations for legislation, regard-**
21 **ing, without limitation:**

1 “(a) Increasing system development charge fee transparency;

2 “(b) Ensuring that the structure and timing of system development
3 charge fee payments foster the development of housing at all levels
4 of affordability;

5 “(c) The methodology for setting system development charge fees,
6 including whether the analysis and formula used accurately capture
7 capacity impacts;

8 “(d) The ability to use, and the effectiveness of using, credits for
9 system development charges, including, but not limited to, the length
10 of time a credit is effective, the types of capital improvements that
11 generate credits, the impartial adjudication of credit denials, the
12 system-wide transferability of credits and the sale of credits in a pri-
13 vate market;

14 “(e) The viability of alternative funding measures for capital im-
15 provements as defined in ORS 223.299; and

16 “(f) The benefit of using system development charge fee revenue to
17 fund construction by private parties of public infrastructure related
18 to housing, commercial and industrial development.

19 “(3) The department shall submit, in the manner provided in ORS
20 192.245, a report, including the recommendations made under sub-
21 section (2) of this section, to the interim legislative committees related
22 to housing and economic recovery and prosperity no later than De-
23 cember 31, 2021.

24 “SECTION 2. Section 1 of this 2021 Act is repealed on January 2,
25 2023.

26 “SECTION 3. This 2021 Act being necessary for the immediate
27 preservation of the public peace, health and safety, an emergency is
28 declared to exist, and this 2021 Act takes effect on its passage.”.

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