



House Committee on Agriculture, Land Use, Natural Resources, and Water Opposition Testimony to Adoption of Fees by Rule in HB 2238

Thank you for the opportunity to provide comments today in opposition to Sections 1 through 12 of HB 2238, which would remove important statutory protections that limit the imposition of fees on housing development. By way of background, our organizations represent business, industry, property owners, and housing advocates across the state. Oregon is in a housing affordability crisis and continually ranks in the bottom of the nation for having the most families paying more than 30% of their monthly income on housing expenses.

While it is never the right time to make needed housing more difficult and expensive to build, now is certainly not the time to allow an agency the unfettered ability to impose increased and unpredictable fees on housing development.

HB 2238 would remove the statutorily defined fee structure and fee caps from ORS 196.815, and allow the Director of the Department of State Lands to adopt fees for removal or fill permits, review of wetland delineation reports, and general authorizations. Most new housing development, particularly in western Oregon, requires wetland delineation reports, and a removal or fill permit. Currently, the costs of completing wetland delineations are complicated and expensive, adding thousands of dollars in costs to development at the end of the day. For example, DSL has a proposed rulemaking underway right now that increases the costs of completing wetland delineations. By their own fiscal impact statement, DSL recognizes that a single new GIS requirement could require wetland consultants to pay \$8,000 to \$10,000 per employee in training. Additional equipment costs could range from \$3,000 to \$4,000. These new costs will be passed on to the developer, which will be passed on to homebuyers and renters.

To make matters worse, DSL is one of the few state agencies not required to complete a housing cost impact statement under ORS 183.530 when adopting rules. This means that unlike DLCD, DEQ, or its sister agencies, DSL may adopt regulation without quantifying how it may impact the costs of constructing homes. If HB 2238 is adopted, DSL would have the ability to set fees increasing the costs of housing in rule without having to analyze and publicize these costs, and would be able to do so without current statutory limitations.

Oregonians are desperate for more abundant and less expensive housing – they cannot afford new and unpredictable costs from an agency who is not even required to analyze how their rules impact the costs of housing.

With this in mind, we ask you to amend HB 2238 to remove Sections 1 through 12. Thank you for the opportunity to provide these comments today. Please do not hesitate to reach out to our organizations with any questions.