



Legislative Fiscal Office
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Bill Title: Relating to housing; prescribing an effective date.

Government Unit(s) Affected: Counties, Special Districts, Cities, Real Estate Agency, Department of Revenue, Department of Consumer and Business Services, Housing and Community Services Department, Department of Administrative Services, Department of Land Conservation and Development, Judicial Department, Metro

Summary of Fiscal Impact

- The anticipated fiscal impact to counties and special districts is indeterminate.
- The fiscal impact on other affected government units is anticipated to be minimal.

Measure Description

The measure is an omnibus housing bill that modifies various housing-related statutes. Among its various changes, the measure:

- Applies the directives established in the Oregon Housing Needs Analysis by HB 2001 (2023) and HB 2889 (2023) to Metro urban unincorporated lands and directs Metro counties to conduct housing capacity analyses and housing production strategies for these lands.
- Modifies the definition of “Metro urban unincorporated lands” to include all Metro water/sewer service districts.
- Directs the Department of Administrative Services to make one aggregate allocation per county when making an allocation to Metro urban unincorporated lands for needed housing.
- Allows an applicant of a current residential development project to opt-in to amended development standards without repeating specified elements of the application process.
- Allows cities and counties to impose fees, if needed, to cover costs for additional review process.
- Removes prohibition in current law that requires a home seller’s agent to reject non-customary communications provided by a prospective buyer.
- Exempts planned community manufactured dwelling subdivisions, expedited land divisions, and middle housing land divisions from subdivision and series partition control laws.
- Allows cities to administratively approve or terminate an eligible property tax exemption for single-unit housing.
- Clarifies that cities within Metro may utilize needed housing allocations from the Department of Administrative Services and are not required to complete a separate, local projection of needed housing.

Fiscal Analysis

The fiscal impact on Metro counties and Special Districts is indeterminate. Other affected government units are anticipated to have a minimal fiscal impact.

Counties

The measure may have a fiscal impact on Metro counties; however, the impact is presently indeterminate. The measure changes the definition of "Metro urban unincorporated lands" to include water and sewer service districts. It also requires one aggregate allocation per county instead of multiple allocations if needed. This measure requires the three Metro counties (Multnomah, Washington, and Clackamas) to create housing production strategies to include sanitary and water systems, though without identifying a new source of revenue. It is possible that counties might be eligible for allocations from the Department of Land Conservation and Development for technical and financial support, though it is presently unclear whether counties would be eligible for those funds in carrying out these new responsibilities. The impact to counties will depend on whether counties are eligible to receive technical and financial support from the Department of Land Conservation and Development, as well as how much this increase in workload would add to the county dockets.

Special Districts

The measure may have a fiscal impact on Special Districts; however, the impact is presently indeterminate. Although the measure does not directly impact special districts, the resulting developments will have an impact because special districts, particularly urban service providers, will have to plan to serve these new developments and the resulting people that move into them. Specifically, sanitary, water, parks, fire, and rescue districts in the Portland metropolitan area will have to plan for these new developments, build the necessary infrastructure to serve those developments, and deploy resources to meet the increased level of demand for services. However, it should also be noted that some special districts (e.g., water, sanitary, parks, etc.) recover system development charges to pay for infrastructure improvements, whereas other special districts (e.g., fire districts) receive an increase in property taxes that result from infrastructure improvements, both of which could mitigate the impact on special districts.

Other Government Units

The measure is anticipated to have a minimal fiscal impact on the Real Estate Agency, Department of Revenue, Department of Consumer and Business Services, Housing and Community Services Department, Department of Administrative Services, Department of Land Conservation and Development, Judicial Department, Cities, and Metro.

Relevant Dates

The measure takes effect 91 days after adjournment sine die.