



Legislative Fiscal Office
 82nd Oregon Legislative Assembly
 2024 Regular Session

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Bill Title: Relating to housing; declaring an emergency.

Government Unit(s) Affected: Housing and Community Services Department, Cities, Counties, Special Districts, Department of Revenue

Summary of Fiscal Impact

2023-25 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Housing and Community Services Department	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000	1	0.38
Total Fiscal Impact	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000	1	0.38

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Housing and Community Services Department	\$ -	\$ -	\$ -	\$ -	\$ -	1	0.50
Total Fiscal Impact	\$ -	\$ -	\$ -	\$ -	\$ -	1	0.50

- The fiscal impact does not include the duplicate Other Funds expenditure limitation necessary to expend General Fund deposited by the measure into the Municipal Development Protection Fund. The expenditure limitation will need to be established to properly budget for the impact of the measure if it is adopted.

Measure Description

HB 4099 - A directs the Housing and Community Services Department (HCSD) to guarantee a local government’s deferral of system development charges for housing developments. In purchasing such a debt, HCSD must pay the amount originally due, provided the debt arises from an agreement between a local government and a developer. After purchasing the debt, HCSD must assess allowable fees and interest and make reasonable efforts to collect the debt. Moneys received by a local government must be treated as payment of the system development charge.

The measure establishes the Municipal Development Protection Fund (Section 3 of the measure). Moneys in the fund are continuously appropriated to HCSD to administer the fund and the program guaranteeing deferral of system development charges. The measure appropriates \$10,000,000 General Fund to HCSD in the 2023-25 biennium for deposit into the Municipal Development Protection Fund. HCSD may use these moneys to administer the fund and the program. HCSD may spend up to \$200,000 of the moneys in the fund in the 2023-25 biennium and up to 4% of the moneys in the fund at the beginning of every biennium thereafter to administer the fund and implement the program.

Fiscal Analysis

The measure is anticipated to have a fiscal impact of \$10,000,000 General Fund in the 2023-25 biennium.

Housing and Community Services Department

The measure is anticipated to have a fiscal impact on HCSD of \$10,000,000 General Fund in the 2023-25 biennium. To administer the new program guaranteeing deferral of system development charges, HCSD will need a limited duration, part-time Operations and Policy Analyst 3 (0.38 FTE) to establish the program in the 2023-25 biennium and a permanent, part-time Program Analyst 3 (0.50 FTE) to provide ongoing program administration in the 2025-27 biennium and beyond. Since the moneys in the Municipal Development Protection Fund will support these positions, HCSD will need an increase in expenditure limitation of \$149,950 Other Funds in the 2023-25 biennium and \$143,008 Other Funds in the 2025-27 biennium. Other Funds expenditure limitation will also be needed to purchase debt from local governments under the program.

The fiscal impact assumes that no additional General Fund appropriations would be needed to support the Municipal Development Protection Fund in the 2025-27 biennium, since HCSD's collection of deferred system development charges (with fees, interest, and possible penalties) is expected to support the fund on an ongoing basis. Collections are expected to revolve into the fund, but if the fund's balance declines, it is possible that the sufficient funds will not be available to support the program. Since default levels are indeterminate, the number of accounts receivable, collections, and lien processing cannot be determined presently. For this reason, this fiscal impact statement does not include the cost of collection fees or HCSD accounting service time. If collection efforts become significant, HCSD may need additional position authority to support this program.

Local Governments

The measure is not anticipated to have a fiscal impact on cities, counties, and special districts as it allows them to defer the collection of system development charges. However, if cities, counties, and special districts choose to defer collection of system development charges to qualify for the program, there might be a minimal fiscal impact from additional staff time needed to update their application materials and websites to reflect the new deferral options, to track deferrals, and to update bookkeeping and payment tracking systems.

Department of Revenue

The measure is anticipated to have a minimal fiscal impact on the Department of Revenue (DOR), since HCSD may assign debt to DOR for collection. Although the amount of debt assigned to DOR is presently unknown, it is assumed that DOR would be able to process the additional debt collections within its current budgetary resources.

Relevant Dates

The measure declares an emergency and takes effect on passage.

The program guaranteeing deferral of system development charges (Section 2 of the measure) becomes operative on January 1, 2025. HCSD may take any action before the operative date to exercise all duties, functions, and powers conferred on HCSD by Sections 2 and 3 of the measure.

Section 2 of the measure applies only to agreements between a local government and a developer entered into on or after January 1, 2025.