FISCAL IMPACT OF PROPOSED LEGISLATION



Legislative Fiscal Office 83rd Oregon Legislative Assembly 2025 Regular Session

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Bill Title: Relating to the timeline for reviewing land use applications for housing; prescribing an effective date.

Government Unit(s) Affected: Cities, Counties, Special Districts, Judicial Department, Land Use Board of Appeals, Department of Land Conservation and Development

Summary of Fiscal Impact

Costs related to the measure are indeterminate – see explanatory analysis.

Measure Description

The measure modifies procedures and deadlines for local government review of final engineering plans for residential development within urban growth boundaries. Local governments must confirm application completeness within 30 days and take final action within 120 days, with tolling and extension options. Applicants may seek a writ of mandamus in the circuit court of the county where the application was submitted if deadlines are not met. The measure also prohibits local governments from applying residential design standards to developments of 20 or more units and establishes new notice and review procedures for certain land use decisions on residentially zoned land. Written notice must be provided to nearby property owners and recognized neighborhood organizations. A hearing may not be required if notice is also provided to the Department of Land Conservation and Development (DLCD). Appeal timelines and procedures before the Land Use Board of Appeals (LUBA) are also amended.

Fiscal Analysis

The measure is estimated to have an indeterminate fiscal impact on local governments and special districts due to new permit processing deadlines and potential legal costs associated with missed timelines. In recent years, new housing permits issued statewide have ranged from 14,000 to over 17,000 annually. While some planning and engineering review deadlines already align with existing requirements, the addition of statutory deadlines is anticipated to increase local government costs. Missed deadlines may result in legal expenses related to writs of mandamus and associated court proceedings. The measure also includes new notice and documentation requirements related to land use decisions, including submissions to DLCD and LUBA. The overall fiscal impact will depend on how frequently deadlines are missed and the volume of affected applications.

Other entities

The measure is anticipated to have a minimal impact on the Department of Land Conservation and Development, Oregon Judicial Department, and Land Use Board of Appeals.

Relevant Dates

The provisions related to application review timelines and appeal procedures become operative on July 1, 2026.

The limitation on residential design standards is repealed on January 2, 2033.

The measure takes effect on the 91st day after sine die.