



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

Prepared by: Twais Broadus
Reviewed by: Haylee Morse-Miller, Emily Coates, Amanda Beitel, Ben Ruef
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Bill Title: Relating to conditions of development.

Government Unit(s) Affected: Department of Consumer and Business Services, Department of Land Conservation and Development, Department of Transportation, Land Use Board of Appeals, Counties, Cities

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Consumer and Business Services	\$ 260,118	\$ -	\$ -	\$ -	\$ 260,118	1	0.63
Total Fiscal Impact	\$ 260,118	\$ -	\$ -	\$ -	\$ 260,118	1	0.63
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Consumer and Business Services	\$ 364,880	\$ -	\$ -	\$ -	\$ 364,880	1	1.00
Total Fiscal Impact	\$ 364,880	\$ -	\$ -	\$ -	\$ 364,880	1	1.00

- Funding is included in HB 5006, the end of session budget reconciliation bill, to implement this measure.

Measure Description

The measure prohibits municipalities with populations of 15,000 or more from requiring frontage improvements such as sidewalks, curbs, or gutters as a condition of issuing a construction permit for the renovation or alteration of existing buildings, unless the project increases the building's size, exceeds a cost threshold set by the Department of Consumer and Business Services (DCBS), or changes the occupancy classification. Exceptions are allowed for required right of way dedications, system development charges, or if required by the Americans with Disabilities Act. The measure also requires coordination between municipalities and the Oregon Department of Transportation (ODOT) for frontage improvements along state highways. These restrictions will apply to all municipalities, regardless of population size, beginning January 1, 2031.

Fiscal Analysis

The total estimated fiscal impact is \$260,118 General Fund and a permanent full-time position (0.63 FTE) in the 2025-27 biennium, and \$364,880 General Fund and a permanent full-time position (1.00 FTE) in the 2027-29 biennium.

Department of Consumer and Business Services

The fiscal impact for DCBS is \$260,118 General Fund and one permanent full-time position (0.63 FTE) in the 2025-27 biennium and \$364,880 General Fund and one permanent position (1.00 FTE) in the 2027-29 biennium.

The measure creates new permitting-related requirements that add responsibilities for the Building Codes Division. The measure introduces terms such as "alteration," "construction permit," and "frontage

improvement” that are not currently defined in the state building code and may conflict with existing definitions. DCBS would hire one Operations and Policy Analyst 4 (0.63 FTE) to conduct rulemaking, provide legal review, provide education, training, and outreach to local governments, and oversee implementation across state-administered programs. The estimated position costs and associated services and supplies totals \$226,573 General Fund in the 2025-27 biennium and \$349,010 General Fund in the 2027-29 biennium.

Additionally, the measure requires DCBS to adopt rules annually to adjust the cost threshold for qualifying projects based on changes in the Consumer Price Index, which adds ongoing rulemaking and ePermitting system updates. Initial implementation in the 2025-27 biennium is expected to require 400 hours of existing staff time. This work is estimated to cost \$33,545 General Fund in the 2025-27 biennium, and \$15,870 in the 2027-29 biennium, to support both initial implementation and ongoing annual updates. General Fund is assumed as the funding source due to statutory restrictions on the use of DCBS revenue sources.

Department of Transportation

The fiscal impact to ODOT is indeterminate. ODOT is to coordinate with local governments and permit applicants regarding frontage improvements along state highways as part of existing permitting processes. The measure may shift the cost of improvements from permittees to ODOT when such work can no longer be required as a permit condition. These costs will depend on the frequency and scope of future permit activity.

Other entities

The measure is anticipated to have minimal impact for cities, counties, and Department of Land Conservation and Development.

Relevant Dates

The restrictions for all municipalities begin on January 1, 2031.

The measure takes effect on January 1, 2026.