FISCAL IMPACT OF PROPOSED LEGISLATION



Legislative Fiscal Office 83rd Oregon Legislative Assembly 2025 Regular Session

Prepared by: Twais Broadus

Reviewed by: Amanda Beitel, Paul Siebert

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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, Department of Land Conservation and Development

Summary of Fiscal Impact

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

Measure Description

The measure establishes timelines for local governments and special districts to process final engineering plans and issue site development permits for housing developments. The 90-day review period is tolled from the date a local government requests corrections or supplemental materials until the amended materials are submitted. An applicant and the reviewing local government or special district may agree to extend the deadline by one or more 30-day period. The measure entitles applicants to recover reasonable engineering and legal costs if they prevail in claims against a local government or special district for failing to meet processing deadlines for engineering plans, an urban housing application, site development permits, limited land use decisions, and zone changes in an urban growth boundary. The measure defines "urban housing application" and includes it within the scope of limited land use decisions. The measure requires local governments to waive certain design review requirements for larger housing projects and allows them to do so for smaller projects. The measure also broadens where clear and objective standards must be applied for housing development approvals.

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 – combined with provisions allowing applicants to recover attorney and engineering fees – is anticipated to increase local government costs. Cities and counties anticipate that missed deadlines could result in significant legal expenses, including plaintiff attorney fees and defense costs. However, the fiscal impact will depend on how frequently deadlines are missed and the volume of related claims.

The measure is anticipated to have a minimal impact on the Department of Land Conservation and Development.

Relevant Dates

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

Measure: SB 974 - A