

Enrolled
House Bill 2658

Sponsored by Representative EVANS; Representative ANDERSEN, Senator SMITH DB (Pre-session filed.)

CHAPTER

AN ACT

Relating to conditions of development.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS 455.410 to 455.740.

SECTION 2. (1) As used in this section:

(a) "Alteration" means any construction or renovation to an existing structure other than a repair or addition to the existing structure.

(b) "Construction permit" means a building permit or a permit for electrical work, mechanical work or plumbing work in a building.

(c)(A) "Frontage improvement" means repairs to or construction or renovation of roadway surfaces, curbs, gutters, sidewalks and similar or related infrastructure that is:

- (i) Privately constructed;
- (ii) Located within a public right of way; and
- (iii) Adjacent to property for which a municipality has issued a construction permit.

(B) "Frontage improvement" does not include repairing damage that a holder of a construction permit caused.

(2)(a) Except as provided in paragraph (b) of this subsection, a municipality with a population of 15,000 or more may not require in, or as a condition of obtaining, a construction permit to renovate or otherwise alter an existing building that the holder of the construction permit install a frontage improvement, or have a frontage improvement installed, if:

(A) The alteration does not result in an increase to the building's square footage or footprint;

(B) The cost of the alteration does not exceed the amount the Director of the Department of Consumer and Business Services specifies under subsection (3) of this section; and

(C) Existing or proposed uses for the building do not result in a change to the occupancy classification group that applied to the building at the time the municipality received an application for the construction permit.

(b) The prohibition described in paragraph (a) of this subsection does not apply:

(A) To any of the following conditions a municipality may impose upon a construction permit:

- (i) A dedication of right-of-way;
- (ii) An assessment or required payment of a system development charge;
- (iii) A waiver of remonstrance to the formation of a local improvement district; or

(iv) An assessment or collection of fees for a local improvement district or charges in lieu of a local improvement district assessment; or

(B) If the Americans with Disabilities Act of 1990, 42 U.S.C. 12101 et seq., as in effect on the effective date of this 2025 Act, requires the municipality to include the installation of a frontage improvement as a condition in, or as a condition of obtaining, a construction permit.

(3) The director shall set the initial cost that an alteration may not exceed under subsection (2)(a)(B) of this section at \$150,000 and each year shall adjust the cost to reflect changes in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.

(4) If a municipality or the Department of Transportation requires a person to install a frontage improvement along a state highway as a condition in, or a condition of obtaining, a construction permit or obtaining final action on a permit or zone change under ORS 215.427 or 227.175, the municipality and the department shall coordinate with the person to determine if design, engineering or construction plans already exist for the required frontage improvement.

SECTION 3. Section 2 of this 2025 Act is amended to read:

Sec. 2. (1) As used in this section:

(a) "Alteration" means any construction or renovation to an existing structure other than a repair or addition to the existing structure.

(b) "Construction permit" means a building permit or a permit for electrical work, mechanical work or plumbing work in a building.

(c)(A) "Frontage improvement" means repairs to or construction or renovation of roadway surfaces, curbs, gutters, sidewalks and similar or related infrastructure that is:

(i) Privately constructed;

(ii) Located within a public right of way; and

(iii) Adjacent to property for which a municipality has issued a construction permit.

(B) "Frontage improvement" does not include repairing damage that a holder of a construction permit caused.

(2)(a) Except as provided in paragraph (b) of this subsection, a municipality [*with a population of 15,000 or more*] may not require in, or as a condition of obtaining, a construction permit to renovate or otherwise alter an existing building that the holder of the construction permit install a frontage improvement, or have a frontage improvement installed, if:

(A) The alteration does not result in an increase to the building's square footage or footprint;

(B) The cost of the alteration does not exceed the amount the Director of the Department of Consumer and Business Services specifies under subsection (3) of this section; and

(C) Existing or proposed uses for the building do not result in a change to the occupancy classification group that applied to the building at the time the municipality received an application for the construction permit.

(b) The prohibition described in paragraph (a) of this subsection does not apply:

(A) To any of the following conditions a municipality may impose upon a construction permit:

(i) A dedication of right-of-way;

(ii) An assessment or required payment of a system development charge;

(iii) A waiver of remonstrance to the formation of a local improvement district; or

(iv) An assessment or collection of fees for a local improvement district or charges in lieu of a local improvement district assessment; or

(B) If the Americans with Disabilities Act of 1990, 42 U.S.C. 12101 et seq., as in effect on the effective date of this 2025 Act, requires the municipality to include the installation of a frontage improvement as a condition in, or as a condition of obtaining, a construction permit.

(3) The director shall set the initial cost that an alteration may not exceed under subsection (2)(a)(B) of this section at \$150,000 and each year shall adjust the cost to reflect changes in the

Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.

(4) If a municipality or the Department of Transportation requires a person to install a frontage improvement along a state highway as a condition in, or a condition of obtaining, a construction permit or obtaining final action on a permit or zone change under ORS 215.427 or 227.175, the municipality and the department shall coordinate with the person to determine if design, engineering or construction plans already exist for the required frontage improvement.

SECTION 4. The amendments to section 2 of this 2025 Act by section 3 of this 2025 Act become operative on January 1, 2031.

Passed by House April 15, 2025

Received by Governor:

Repassed by House June 24, 2025

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Approved:

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Timothy G. Sekerak, Chief Clerk of House

.....M.,....., 2025

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Julie Fahey, Speaker of House

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Tina Kotek, Governor

Passed by Senate June 23, 2025

Filed in Office of Secretary of State:

.....M.,....., 2025

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Rob Wagner, President of Senate

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Tobias Read, Secretary of State