

House Bill 3943

Sponsored by Representative DIEHL

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act makes agencies report on impacts of current and future rules on home production. (Flesch Readability Score: 61.8).

Requires all state agencies to prepare a report within 60 days on the impacts of the agency's current rules on construction of new housing and the agency's land that may be available for housing production. Requires the agencies to submit the report to the interim committees of the Legislative Assembly related to housing no later than September 15, 2026. Expands, to all state agencies, the requirement to complete housing impact statements upon proposing rules.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to agency support for housing production; creating new provisions; amending ORS 183.335,
3 183.534 and 183.538; repealing ORS 183.530; and prescribing an effective date.

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

5 **SECTION 1. (1) No later than 60 days after the effective date of this 2025 Act, each**
6 **agency of the executive department, as defined in ORS 174.112, shall prepare a written report**
7 **that includes:**

8 (a) **Identification of each agency rule, if any, that may impact the construction of hous-**
9 **ing in this state.**

10 (b) **For each rule identified under paragraph (a) of this subsection:**

11 (A) **A description of the potential impact on the construction of housing;**

12 (B) **An explanation of the extent to which the agency believes that the rule is no longer**
13 **necessary and could be rescinded;**

14 (C) **An explanation as to whether the agency could amend the rule to reduce the potential**
15 **impact on the construction of housing and a description of a potential amendment's change**
16 **to that impact; and**

17 (D) **Identification of any aspects of the rule that are intended to protect:**

18 (i) **The environment;**

19 (ii) **Archaeological, cultural or historic sites;**

20 (iii) **Public health and safety;**

21 (iv) **Procurement practices;**

22 (v) **Ethical considerations; or**

23 (vi) **Other notable considerations.**

24 (c) **If the agency owns lands, the potential for those state-owned lands to support housing**
25 **development or promote nearby housing development.**

26 (d) **Other strategies that the agency may pursue to facilitate the construction of housing**
27 **in this state.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (2) On or before September 15, 2026, each agency shall provide a report to the interim
 2 committees of the Legislative Assembly related to housing in the manner provided in ORS
 3 192.245 on the findings of the report developed under this section.

4 **SECTION 2. ORS 183.530 is repealed.**

5 **SECTION 3.** ORS 183.534 is amended to read:

6 183.534. (1) All agencies shall make reducing barriers to the review, planning, approval
 7 and construction of housing in this state a priority, and shall, whenever appropriate, collab-
 8 orate with other agencies to effectuate that goal.

9 (2) Every agency shall prepare a housing cost impact statement when proposing the
 10 adoption, repeal or amendment of any rule.

11 [(1)] (3) A housing cost impact statement is an estimate of the effect of a proposed rule [*or or-*
 12 *dinance*] on the cost of development of a 6,000 square foot parcel and the construction of a 1,200
 13 square foot detached single family dwelling on that parcel.

14 (4) The Housing and Community Services Department shall adopt rules **implementing this**
 15 **section and ORS 183.538 and** prescribing the form to be used when preparing the estimate [*and*
 16 *other such rules necessary to the implementation of this section and ORS 183.530 and 183.538*].

17 [(2)] (5) [A] **The** housing cost impact statement[:]

18 [(a) *For an agency listed in ORS 183.530 shall*] **must** be incorporated in the:

19 [(A)] (a) Fiscal impact statement required by ORS 183.335 (2)(b)(E) for permanent rule adoption;
 20 or

21 [(B)] (b) Statements required by ORS 183.335 (5) for temporary rule adoption.

22 [(b) *Shall not be required for the adoption of any procedural rule by an agency listed in ORS*
 23 *183.530.*]

24 **SECTION 4.** ORS 183.538 is amended to read:

25 183.538. (1) Notwithstanding ORS 183.335 (12)[,] **or** 183.400 (4) or any other provision of law, the
 26 failure to prepare a housing cost impact statement [*shall*] **does** not affect the validity or effective
 27 date of any rule [*or ordinance or any amendment to a rule or ordinance*].

28 [(2) *If a rule or ordinance or any amendment to a rule or ordinance is challenged based on the*
 29 *failure to prepare a housing cost impact statement, the court or other reviewing authority shall remand*
 30 *the proposed rule or ordinance or any amendment to a rule or ordinance to the adopting or repealing*
 31 *entity if it determines that a housing cost impact statement is required.*]

32 [(3)] (2) [*The court or other reviewing authority shall*] **A court may** determine only whether a
 33 housing cost impact statement was prepared and [*shall*] **complete and may** not make any determi-
 34 nation as to the [*sufficiency*] **adequacy** of the housing cost impact statement.

35 (3) **If a court determines that a housing cost impact statement is incomplete, it may or-**
 36 **der an agency to prepare a housing cost impact statement for a rule adopted by the agency.**

37 **SECTION 5.** ORS 183.335 is amended to read:

38 183.335. (1) Prior to the adoption, amendment or repeal of any rule, the agency shall give notice
 39 of its intended action:

40 (a) In the manner established by rule adopted by the agency under ORS 183.341 (4), which pro-
 41 vides a reasonable opportunity for interested persons to be notified of the agency's proposed action;

42 (b) In the bulletin referred to in ORS 183.360 at least 21 days prior to the effective date;

43 (c) At least 28 days before the effective date, to persons who have requested notice pursuant to
 44 subsection (8) of this section; and

45 (d) Delivered only by electronic mail, at least 49 days before the effective date, to the persons

1 specified in subsection (15) of this section.

2 (2)(a) The notice required by subsection (1) of this section must include:

3 (A) A caption of not more than 15 words that reasonably identifies the subject matter of the
4 agency's intended action. The agency shall include the caption on each separate notice, statement,
5 certificate or other similar document related to the intended action.

6 (B) An objective, simple and understandable statement summarizing the subject matter and
7 purpose of the intended action in sufficient detail to inform a person that the person's interests may
8 be affected, and the time, place and manner in which interested persons may present their views on
9 the intended action.

10 (b) The agency shall include with the notice of intended action given under subsection (1) of this
11 section:

12 (A) A citation of the statutory or other legal authority relied upon and bearing upon the
13 promulgation of the rule;

14 (B) A citation of the statute or other law the rule is intended to implement;

15 (C) A statement of the need for the rule and a statement of how the rule is intended to meet the
16 need;

17 (D) A list of the principal documents, reports or studies, if any, prepared by or relied upon by
18 the agency in considering the need for and in preparing the rule, and a statement of the location
19 at which those documents are available for public inspection. The list may be abbreviated if neces-
20 sary, and if so abbreviated there shall be identified the location of a complete list;

21 (E) A statement of fiscal impact identifying state agencies, units of local government and the
22 public that may be economically affected by the adoption, amendment or repeal of the rule and an
23 estimate of that economic impact on state agencies, units of local government and the public. In
24 considering the economic effect of the proposed action on the public, the agency shall utilize avail-
25 able information to project any significant economic effect of that action on businesses which shall
26 include a cost of compliance effect on small businesses affected. [*For an agency specified in ORS*
27 *183.530,*] The statement of fiscal impact shall also include a housing cost impact statement as de-
28 scribed in ORS 183.534;

29 (F) A statement identifying how adoption of the rule will affect racial equity in this state;

30 (G) If an advisory committee is not appointed under the provisions of ORS 183.333, an explana-
31 tion as to why no advisory committee was used to assist the agency in drafting the rule; and

32 (H) A request for public comment on whether other options should be considered for achieving
33 the rule's substantive goals while reducing the negative economic impact of the rule on business.

34 (c) The Secretary of State may omit the information submitted under paragraph (b) of this sub-
35 section from publication in the bulletin referred to in ORS 183.360.

36 (d) When providing notice of an intended action under subsection (1)(c) of this section, the
37 agency shall provide a copy of the rule that the agency proposes to adopt, amend or repeal, or an
38 explanation of how the person may acquire a copy of the rule. The copy of an amended rule shall
39 show all changes to the rule by striking through material to be deleted and underlining all new
40 material, or by any other method that clearly shows all new and deleted material.

41 (3)(a) When an agency proposes to adopt, amend or repeal a rule, it shall give interested persons
42 reasonable opportunity to submit data or views. Opportunity for oral hearing shall be granted upon
43 request received from 10 persons or from an association having not less than 10 members before the
44 earliest date that the rule could become effective after the giving of notice pursuant to subsection
45 (1) of this section. An agency holding a hearing upon a request made under this subsection shall give

1 notice of the hearing at least 21 days before the hearing to the person who has requested the
 2 hearing, to persons who have requested notice pursuant to subsection (8) of this section and to the
 3 persons specified in subsection (15) of this section. The agency shall publish notice of the hearing
 4 in the bulletin referred to in ORS 183.360 at least 14 days before the hearing. The agency shall
 5 consider fully any written or oral submission.

6 (b) If an agency is required to conduct an oral hearing under paragraph (a) of this subsection,
 7 and the rule for which the hearing is to be conducted applies only to a limited geographical area
 8 within this state, or affects only a limited geographical area within this state, the hearing shall be
 9 conducted within the geographical area at the place most convenient for the majority of the resi-
 10 dents within the geographical area. At least 14 days before a hearing conducted under this para-
 11 graph, the agency shall publish notice of the hearing in the bulletin referred to in ORS 183.360 and
 12 in a newspaper of general circulation published within the geographical area that is affected by the
 13 rule or to which the rule applies. If a newspaper of general circulation is not published within the
 14 geographical area that is affected by the rule or to which the rule applies, the publication shall be
 15 made in the newspaper of general circulation published closest to the geographical area.

16 (c) Notwithstanding paragraph (a) of this subsection, the Department of Corrections and the
 17 State Board of Parole and Post-Prison Supervision may adopt rules limiting participation by adults
 18 in custody in the proposed adoption, amendment or repeal of any rule to written submissions.

19 (d) If requested by at least five persons before the earliest date that the rule could become ef-
 20 fective after the agency gives notice pursuant to subsection (1) of this section, the agency shall
 21 provide a statement that identifies the objective of the rule and a statement of how the agency will
 22 subsequently determine whether the rule is in fact accomplishing that objective.

23 (e) An agency that receives data or views concerning proposed rules from interested persons
 24 shall maintain a record of the data or views submitted. The record shall contain:

25 (A) All written materials submitted to an agency in response to a notice of intent to adopt,
 26 amend or repeal a rule.

27 (B) A recording or summary of oral submissions received at hearings held for the purpose of
 28 receiving those submissions.

29 (C) Any public comment received in response to the request made under subsection (2)(b)(H) of
 30 this section and the agency's response to that comment.

31 (D) Any statements provided by the agency under paragraph (d) of this subsection.

32 (4) Upon request of an interested person received before the earliest date that the rule could
 33 become effective after the giving of notice pursuant to subsection (1) of this section, the agency shall
 34 postpone the date of its intended action no less than 21 nor more than 90 days in order to allow the
 35 requesting person an opportunity to submit data, views or arguments concerning the proposed
 36 action. Nothing in this subsection shall preclude an agency from adopting a temporary rule pursuant
 37 to subsection (5) of this section.

38 (5) Notwithstanding subsections (1) to (4) of this section, an agency may adopt, amend or sus-
 39 pend a rule without prior notice or hearing or upon any abbreviated notice and hearing that it finds
 40 practicable, if the agency prepares:

41 (a) A statement of its findings that its failure to act promptly will result in serious prejudice to
 42 the public interest or the interest of the parties concerned and the specific reasons for its findings
 43 of prejudice;

44 (b) A citation of the statutory or other legal authority relied upon and bearing upon the
 45 promulgation of the rule;

1 (c) A statement of the need for the rule and a statement of how the rule is intended to meet the
2 need;

3 (d) A list of the principal documents, reports or studies, if any, prepared by or relied upon by
4 the agency in considering the need for and in preparing the rule, and a statement of the location
5 at which those documents are available for public inspection; and

6 (e) *[For an agency specified in ORS 183.530,]* A housing cost impact statement as defined in ORS
7 183.534.

8 (6)(a) A rule adopted, amended or suspended under subsection (5) of this section is temporary
9 and may be effective for a period of not longer than 180 days. The adoption of a rule under this
10 subsection does not preclude the subsequent adoption of an identical rule under subsections (1) to
11 (4) of this section.

12 (b) A rule temporarily suspended shall regain effectiveness upon expiration of the temporary
13 period of suspension unless the rule is repealed under subsections (1) to (4) of this section.

14 (7) Notwithstanding subsections (1) to (4) of this section, an agency may amend a rule without
15 prior notice or hearing if the amendment is solely for the purpose of:

16 (a) Changing the name of an agency by reason of a name change prescribed by law;

17 (b) Changing the name of a program, office or division within an agency as long as the change
18 in name does not have a substantive effect on the functions of the program, office or division;

19 (c) Correcting spelling;

20 (d) Correcting grammatical mistakes in a manner that does not alter the scope, application or
21 meaning of the rule;

22 (e) Correcting statutory or rule references;

23 (f) Correcting addresses or telephone numbers referred to in the rules; or

24 (g) Changing a term or phrase in order to conform with a change prescribed by law.

25 (8)(a) Any person may request in writing that an agency send to the person copies of the
26 agency's notices of intended action issued under subsection (1) of this section. The person must
27 provide an address where the person elects to receive notices. The address provided may be a postal
28 mailing address or, if the agency provides notice by electronic mail, may be an electronic mailing
29 address.

30 (b) A request under this subsection must indicate that the person requests one of the following:

31 (A) The person may request that the agency mail paper copies of the proposed rule and other
32 information required by subsection (2) of this section to the postal mailing address.

33 (B) If the agency posts notices of intended action on a website, the person may request that the
34 agency mail the information required by subsection (2)(a) of this section to the postal mailing ad-
35 dress with a reference to the website where electronic copies of the proposed rule and other infor-
36 mation required by subsection (2) of this section are posted.

37 (C) The person may request that the agency electronically mail the information required by
38 subsection (2)(a) of this section to the electronic mailing address, and either provide electronic
39 copies of the proposed rule and other information required by subsection (2) of this section or pro-
40 vide a reference to a website where electronic copies of the proposed rule and other information
41 required by subsection (2) of this section are posted.

42 (c) Upon receipt of any request under this subsection, the agency shall acknowledge the request,
43 establish a mailing list and maintain a record of all mailings made pursuant to the request. Agen-
44 cies may establish procedures for establishing the mailing lists and keeping the mailing lists current.
45 Agencies by rule may establish fees necessary to defray the costs of mailings and maintenance of

1 the lists.

2 (d) Members of the Legislative Assembly who receive notices under subsection (15) of this sec-
 3 tion may request that an agency furnish paper copies of the notices.

4 (9) This section does not apply to rules establishing an effective date for a previously effective
 5 rule or establishing a period during which a provision of a previously effective rule will apply.

6 (10) This section does not apply to ORS 279.835 to 279.855, 279A.140 to 279A.161, 279A.250 to
 7 279A.290, 279A.990, 279B.050 to 279B.085, 279B.200 to 279B.240, 279B.270, 279B.275, 279B.280,
 8 279C.360, 279C.365, 279C.370, 279C.375, 279C.380, 279C.385, 279C.500 to 279C.530, 279C.540, 279C.545,
 9 279C.550 to 279C.570, 279C.580, 279C.585, 279C.590, 279C.600 to 279C.625, 279C.650 to 279C.670 and
 10 279C.800 to 279C.870 relating to public contracts and purchasing.

11 (11)(a) Except as provided in paragraph (c) of this subsection, a rule is not valid unless adopted
 12 in substantial compliance with the provisions of this section in effect on the date that the notice
 13 required under subsection (1) of this section is delivered to the Secretary of State for the purpose
 14 of publication in the bulletin referred to in ORS 183.360.

15 (b) In addition to all other requirements with which rule adoptions must comply, a rule other
 16 than a rule amended for a purpose described in subsection (7) of this section is not valid if the rule
 17 has not been submitted to the Legislative Counsel in the manner required by ORS 183.355 and
 18 183.715.

19 (c) A rule is not subject to judicial review or other challenge by reason of failing to comply with
 20 subsection (2)(a)(A) of this section.

21 (12)(a) Notwithstanding the provisions of subsection (11) of this section, but subject to paragraph
 22 (b) of this subsection, an agency may correct its failure to substantially comply with the require-
 23 ments of subsections (2) and (5) of this section in adoption of a rule by an amended filing, as long
 24 as the noncompliance did not substantially prejudice the interests of persons to be affected by the
 25 rule.

26 (b) An agency may use an amended filing to correct a failure to include a fiscal impact state-
 27 ment in a notice of intended action, as required by subsection (2)(b)(E) of this section, or to correct
 28 an inaccurate fiscal impact statement, only if the agency developed the fiscal impact statement with
 29 the assistance of an advisory committee or fiscal impact advisory committee appointed under ORS
 30 183.333.

31 (13) Unless otherwise provided by statute, the adoption, amendment or repeal of a rule by an
 32 agency need not be based upon or supported by an evidentiary record.

33 (14) When an agency has established a deadline for comment on a proposed rule under the pro-
 34 visions of subsection (3)(a) of this section, the agency may not extend that deadline for another
 35 agency or person unless the extension applies equally to all interested agencies and persons. An
 36 agency shall not consider any submission made by another agency after the final deadline has
 37 passed.

38 (15) The notices required under subsections (1) and (3) of this section must be given by the
 39 agency to the following persons:

40 (a) If the proposed adoption, amendment or repeal results from legislation that was passed
 41 within two years before notice is given under subsection (1) of this section, notice shall be given to
 42 the legislator who introduced the bill that subsequently was enacted into law, and to the chair or
 43 cochairs of all committees that reported the bill out, except for those committees whose sole action
 44 on the bill was referral to another committee.

45 (b) If the proposed adoption, amendment or repeal does not result from legislation that was

1 passed within two years before notice is given under subsection (1) of this section, notice shall be
2 given to the chair or cochair of any interim or session committee with authority over the subject
3 matter of the rule.

4 (c) If notice cannot be given under paragraph (a) or (b) of this subsection, notice shall be given
5 to the Speaker of the House of Representatives and to the President of the Senate who are in office
6 on the date the notice is given.

7 (16)(a) Upon the request of a member of the Legislative Assembly or of a person who would be
8 affected by a proposed adoption, amendment or repeal, the committees receiving notice under sub-
9 section (15) of this section shall review the proposed adoption, amendment or repeal for compliance
10 with the legislation from which the proposed adoption, amendment or repeal results.

11 (b) The committees shall submit their comments on the proposed adoption, amendment or repeal
12 to the agency proposing the adoption, amendment or repeal.

13 **SECTION 6. This 2025 Act takes effect on the 91st day after the date on which the 2025**
14 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

15