SB 974-A8 (LC 1177) 5/21/25 (RLM/ps)

Requested by Senator ANDERSON

PROPOSED AMENDMENTS TO A-ENGROSSED SENATE BILL 974

1 On page 1 of the printed A-engrossed bill, line 3, delete "197.015 and 2 197A.400;" and insert "ORS 197.830 and 197.835;".

3 Delete lines 5 through 23 and delete pages 2 through 7 and insert:

"SECTION 1. (1) As used in this section, 'final engineering plans' 4 means the detailed engineering plans and reports for the design or 5 construction of public and private infrastructure improvements that 6 require review and approval following tentative plat approval by a lo-7 cal government before issuing site development permits, including 8 plans and reports for the construction of public and private 9 infrastructure improvements such as grading, 10 water, sewer, stormwater, transportation systems and utilities. 11

"(2) After receiving an application for final engineering plans for
 residential development within an urban growth boundary, a local
 government shall:

"(a) Within 30 days, confirm that the application was complete
 when submitted or specify all additional materials that must be in cluded for the application to be considered complete.

(b) Complete the final review of the final engineering plans and, following the receipt of applicable fees, forms and bonds, approve or deny site development permits for construction of all public and private infrastructure improvements, within 120 days after the date on 1 **which:**

"(A) The application is deemed complete under paragraph (a) of this
subsection;

4 "(B) The applicant has provided all materials specified under para5 graph (a) of this subsection; or

6 "(C) The applicant states that no additional materials are forth-7 coming.

8 "(3) The review period for a local government to complete its review
9 under subsection (2)(b) of this section:

"(a) Is tolled during the time period beginning on the date on which
 a local government sends a direction to the applicant to correct or
 supplement the application and ending on the date on which the
 amended application is received by the local government.

"(b) May be extended one or more times for a specified period at the
 written request of the applicant, provided that the total of all exten sions does not exceed 245 days.

"(4)(a) If the local government does not take final action on the application within the deadline provided under subsection (2)(b) of this section, including any extension under this section, the applicant may file a petition for a writ of mandamus under ORS 34.130 in the circuit court of the county where the application was submitted.

"(b) The local government shall retain jurisdiction to make a decision until a petition for a writ of mandamus is filed.

"(c) Upon receiving a petition filed under ORS 34.130, the circuit
 court has jurisdiction for all decisions regarding the application, in cluding settlement.

"(d) The court shall issue a peremptory writ unless the local government or any intervenor shows that the approval of final engineering plans would violate a substantive provision of the local
government's regulations.

SECTION 2. Section 3 of this 2025 Act is added to and made a part 1 of ORS chapter 197A. $\mathbf{2}$ SECTION 3. (1) This section applies only to a land use decision for 3 residential development based on an application for: 4 "(a) A zone change to allow for a denser residential use designation; $\mathbf{5}$ "(b) A planned unit development; or 6 "(c) A variance from a residential approval standard. 7 "(2) This section applies only to an application for land that is, at 8 the time of the application: 9 "(a) Inside the urban growth boundary; and 10

"(b) Zoned primarily for residential use or mixed residential use or
 planned for residential use.

13 **"(3) This section does not apply to an application:**

14 "(a) That would reduce the minimum residential density of land.

15 **"(b) For a final subdivision or partition plat.**

"(c) For a residential construction permit under the state building
 code.

¹⁸ "(d) For final engineering plans under section 1 of this 2025 Act.

"(e) Subject to a ministerial or other expedited approval procedure,
 including a residential use allowed outright.

21 **"(4) An application under this section:**

22 "(a) Is not subject to the requirements of ORS 197.797.

"(b) Must be reviewed under the procedures described in a local
government's land use regulations, except as provided in this section.

"(5)(a) The local government shall provide written notice of an application under this section to owners of property within 100 feet of the site for which the application is made and to any neighborhood or community organization recognized by the governing body and whose boundaries include the site. The list of owners must be compiled from the most recent property tax assessment roll. 1 "(b) A local government is not required to provide a hearing, as 2 described in ORS 197.610 to 197.625, on an application made under this 3 section if the local government provides a copy of the notice required 4 under this subsection to the Department of Land Conservation and 5 Development in the manner provided by ORS 197.610 and 197.615.

6 "(c) The notice must:

7 "(A) Provide a 14-day period for submission of written comments
8 prior to the decision;

9 "(B) State that issues which may provide the basis for an appeal to 10 the Land Use Board of Appeals must be raised in writing prior to the 11 expiration of the comment period. Issues shall be raised with sufficient 12 specificity to enable the decision maker to respond to the issue;

"(C) List, by commonly used citation, the applicable criteria for the
 decision;

"(D) Set forth the street address or other easily understood ge ographical reference to the subject property;

17 "(E) State the place, date and time that comments are due;

"(F) State that copies of all evidence relied upon by the applicant
 are available for review and that copies can be obtained at cost;

20 "(G) Include the name and phone number of a local government 21 contact person;

"(H) Provide notice of the decision to the applicant and any person
 who submits comments under subparagraph (A) of this paragraph. The
 notice of decision must include an explanation of appeal rights; and

"(I) Briefly summarize the local process for reaching a final deci sion on the application.

"(d) The local government shall provide an affidavit or other certification describing the notice given under this subsection.

"(6) Approval or denial of the application must be based upon and
 accompanied by a brief statement that explains the criteria and stan-

dards considered relevant to the decision, states the facts relied upon
in rendering the decision and explains the justification for the decision
based on the criteria, standards and facts set forth.

"(7) The initial decision on the application must be made without 4 a hearing. A local government may provide for a hearing on appeal $\mathbf{5}$ of the initial decision. The hearing may be limited to the record de-6 veloped for the initial decision under subsection (5) of this section or 7 may allow for the introduction of additional testimony or evidence. A 8 hearing on appeal that allows the introduction of additional testimony 9 or evidence must comply with the requirements of ORS 197.797. Writ-10 ten notice of the local government's final decision must be given to 11 all parties who participated in the decision and must include an ex-12 planation of a party's right to appeal the decision. 13

14 "SECTION 4. ORS 197.830 is amended to read:

"197.830. (1) Review of land use decisions or limited land use decisions
under ORS 197.830 to 197.845 shall be commenced by filing a notice of intent
to appeal with the Land Use Board of Appeals.

"(2) Except as provided in ORS 197.620, a person may petition the board
for review of a land use decision or limited land use decision if the person:

"(a) Filed a notice of intent to appeal the decision as provided in subsection (1) of this section; and

"(b) Appeared before the local government, special district or state agency
orally or in writing.

"(3) If a local government makes a land use decision without providing a hearing, except as provided under ORS 215.416 (11) or 227.175 (10), or the local government makes a land use decision that is different from the proposal described in the notice of hearing to such a degree that the notice of the proposed action did not reasonably describe the local government's final actions, a person adversely affected by the decision may appeal the decision to the board under this section: 1 "(a) Within 21 days of actual notice where notice is required; or

2 "(b) Within 21 days of the date a person knew or should have known of 3 the decision where no notice is required.

"(4) If a local government makes a land use decision without a hearing
pursuant to ORS 215.416 (11) or 227.175 (10):

6 "(a) A person who was not provided notice of the decision as required 7 under ORS 215.416 (11)(c) or 227.175 (10)(c) may appeal the decision to the 8 board under this section within 21 days of receiving actual notice of the 9 decision.

"(b) A person who is not entitled to notice under ORS 215.416 (11)(c) or 227.175 (10)(c) but who is adversely affected or aggrieved by the decision may appeal the decision to the board under this section within 21 days after the expiration of the period for filing a local appeal of the decision established by the local government under ORS 215.416 (11)(a) or 227.175 (10)(a).

"(c) A person who receives notice of a decision made without a hearing under ORS 215.416 (11) or 227.175 (10) may appeal the decision to the board under this section within 21 days of receiving actual notice of the nature of the decision, if the notice of the decision did not reasonably describe the nature of the decision.

"(d) Except as provided in paragraph (c) of this subsection, a person who 20receives notice of a decision made without a hearing under ORS 215.416 (11) 21or 227.175 (10) may not appeal the decision to the board under this section. 22"(5) If a local government makes a limited land use decision which is 23different from the proposal described in the notice to such a degree that the 24notice of the proposed action did not reasonably describe the local 25government's final actions, a person adversely affected by the decision may 26appeal the decision to the board under this section: 27

²⁸ "(a) Within 21 days of actual notice where notice is required; or

29 "(b) Within 21 days of the date a person knew or should have known of 30 the decision where no notice is required.

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1 "(6) The appeal periods described in subsections (3), (4) and (5) of this 2 section:

"(a) May not exceed three years after the date of the decision, except as
provided in paragraph (b) of this subsection.

(b) May not exceed 10 years after the date of the decision if notice of a $\mathbf{5}$ hearing or an administrative decision made pursuant to ORS 197.195 or 6 197.797 or section 3 of this 2025 Act is required but has not been provided. 7 "(7)(a) Within 21 days after a notice of intent to appeal has been filed 8 9 with the board under subsection (1) of this section, any person described in paragraph (b) of this subsection may intervene in and be made a party to the 10 review proceeding by filing a motion to intervene and by paying a filing fee 11 of \$100. 12

"(b) Persons who may intervene in and be made a party to the review
proceedings, as set forth in subsection (1) of this section, are:

"(A) The applicant who initiated the action before the local government,
 special district or state agency; or

"(B) Persons who appeared before the local government, special district
or state agency, orally or in writing.

"(c) Failure to comply with the deadline or to pay the filing fee set forth in paragraph (a) of this subsection shall result in denial of a motion to intervene.

"(8) If a state agency whose order, rule, ruling, policy or other action is at issue is not a party to the proceeding, it may file a brief with the board as if it were a party. The brief shall be due on the same date the respondent's brief is due and shall be accompanied by a filing fee of \$100.

"(9) A notice of intent to appeal a land use decision or limited land use decision shall be filed not later than 21 days after the date the decision sought to be reviewed becomes final. A notice of intent to appeal plan and land use regulation amendments processed pursuant to ORS 197.610 to 197.625 shall be filed not later than 21 days after notice of the decision

sought to be reviewed is mailed or otherwise submitted to parties entitled 1 to notice under ORS 197.615. Failure to include a statement identifying when, $\mathbf{2}$ how and to whom notice was provided under ORS 197.615 does not render the 3 notice defective. Copies of the notice of intent to appeal shall be served upon 4 the local government, special district or state agency and the applicant of $\mathbf{5}$ record, if any, in the local government, special district or state agency pro-6 ceeding. The notice shall be served and filed in the form and manner pre-7 scribed by rule of the board and shall be accompanied by a filing fee of \$300. 8 If a petition for review is not filed with the board as required in subsections 9 (10) and (11) of this section, the board shall award the filing fee to the local 10 government, special district or state agency. 11

"(10)(a) Within 21 days after service of the notice of intent to appeal, the 12 local government, special district or state agency shall transmit to the board 13 the original or a certified copy of the entire record of the proceeding under 14 review. By stipulation of all parties to the review proceeding the record may 15be shortened. The board may require or permit subsequent corrections to the 16 record; however, the board shall issue an order on a motion objecting to the 17 record within 60 days of receiving the motion. If the board denies a 18 petitioner's objection to the record, the board may establish a new deadline 19 for the petition for review to be filed that may not be less than 14 days from 20the later of the original deadline for the brief or the date of denial of the 21petitioner's record objection. 22

"(b) Within 10 days after service of a notice of intent to appeal, the board shall provide notice to the petitioner and the respondent of their option to enter into mediation pursuant to ORS 197.860. Any person moving to intervene shall be provided such notice within seven days after a motion to intervene is filed. The notice required by this paragraph shall be accompanied by a statement that mediation information or assistance may be obtained from the Department of Land Conservation and Development.

30 "(11) A petition for review of the land use decision or limited land use

decision and supporting brief shall be filed with the board as required by the
board under subsection (13) of this section.

"(12) The petition shall include a copy of the decision sought to be reviewed and shall state:

5 "(a) The facts that establish that the petitioner has standing.

6 "(b) The date of the decision.

7 "(c) The issues the petitioner seeks to have reviewed.

"(13)(a) The board shall adopt rules establishing deadlines for filing petitions and briefs and for oral argument.

"(b) The local government or state agency may withdraw its decision for
 purposes of reconsideration at any time:

12 "(A) Subsequent to the filing of a notice of intent; and

13 "(B) Prior to:

14 "(i) The date set for filing the record; or

"(ii) On appeal of a decision under ORS 197.610 to 197.625 or relating to
the development of a residential structure, the filing of the respondent's
brief.

"(c) If a local government or state agency withdraws an order for pur-18 poses of reconsideration, it shall, within such time as the board may allow, 19 affirm, modify or reverse its decision. If the petitioner is dissatisfied with the 20local government or agency action after withdrawal for purposes of recon-21sideration, the petitioner may refile the notice of intent and the review shall 22proceed upon the revised order. An amended notice of intent is not required 23if the local government or state agency, on reconsideration, affirms the order 24or modifies the order with only minor changes. 25

"(14) The board shall issue a final order within 77 days after the date of transmittal of the record. If the order is not issued within 77 days the applicant may apply in Marion County or the circuit court of the county where the application was filed for a writ of mandamus to compel the board to issue a final order. 1 "(15) Upon entry of its final order, the board:

"(a) May, in its discretion, award costs to the prevailing party including
the cost of preparation of the record if the prevailing party is the local
government, special district or state agency whose decision is under review.
"(b) Shall award reasonable attorney fees and expenses to the prevailing
party against any other party who the board finds presented a position or
filed any motion without probable cause to believe the position or motion
was well-founded in law or on factually supported information.

9 "(c) Shall award costs and attorney fees to a party as provided in ORS
10 197.843.

"(16) Orders issued under this section may be enforced in appropriate ju-dicial proceedings.

"(17)(a) The board shall provide for the publication of its orders that are
of general public interest in the form it deems best adapted for public convenience. The publications shall constitute the official reports of the board.
"(b) Any moneys collected or received from sales by the board shall be

¹⁷ paid into the Board Publications Account established by ORS 197.832.

"(18) Except for any sums collected for publication of board opinions, all
fees collected by the board under this section that are not awarded as costs
shall be paid over to the State Treasurer to be credited to the General Fund.
"(19) The board shall track and report on its website:

"(a) The number of reviews commenced, as described in subsection (1) of this section, the number of reviews commenced for which a petition is filed under subsection (2) of this section and, in relation to each of those numbers, the rate at which the reviews result in a decision of the board to uphold, reverse or remand the land use decision or limited land use decision. The board shall track and report reviews under this paragraph in categories established by the board.

29 "(b) A list of petitioners, the number of reviews commenced and the rate 30 at which the petitioner's reviews have resulted in decisions of the board to 1 uphold, reverse or remand the land use decision or limited land use decision.

"(c) A list of respondents, the number of reviews involving each respondent and the rate at which reviews involving the respondent have resulted in decisions of the board to uphold, reverse or remand the land use decision or limited land use decision. Additionally, when a respondent is the local government that made the land use decision or limited land use decision, the board shall track whether the local government appears before the board.

8 "(d) A list of reviews, and a brief summary of the circumstances in each 9 review, under which the board exercises its discretion to require a losing 10 party to pay the attorney fees of the prevailing party.

¹¹ "<u>SECTION 5.</u> ORS 197.835 is amended to read:

"197.835. (1)(a) The Land Use Board of Appeals shall review the land use decision or limited land use decision and prepare a final order affirming, reversing or remanding the land use decision or limited land use decision.

"(b) If a local government demonstrates that a land use decision adopting 15a change to an acknowledged comprehensive plan or land use regulation 16 contains a severability clause and specifically challenged portions of the 17 changes may be reasonably severable from the remainder of the changes, the 18 board may affirm in part. Reasonably severable means the remaining parts, 19 standing alone, are complete and capable of being executed with the legis-20lative intent. The affirmed parts are not affected by the reversal or remand, 21continue in effect and are considered acknowledged as described in ORS 22197.625. 23

"(c) The board shall adopt rules defining the circumstances in which it will reverse rather than remand a land use decision or limited land use decision or part of a decision that is not affirmed.

"(2)(a) Review of a decision under ORS 197.830 to 197.845 shall be confined
to the record.

"(b) In the case of disputed allegations of standing, unconstitutionality
 of the decision, ex parte contacts, actions described in subsection (10)(a)(B)

of this section or other procedural irregularities not shown in the record that, if proved, would warrant reversal or remand, the board may take evidence and make findings of fact on those allegations. The board shall be bound by any finding of fact of the local government, special district or state agency for which there is substantial evidence in the whole record.

"(3) The board may only review issues raised by any participant before
the local hearings body as provided by ORS 197.195, 197.622 or 197.797 or
section 3 of this 2025 Act, whichever is applicable.

9 "(4) A petitioner may raise new issues to the board regarding a quasi10 judicial decision made under ORS 197.195 or 197.797 or section 3 of this
11 2025 Act only if:

"(a) The local government failed to list the applicable criteria for a decision under ORS 197.195 (3)(c) or 197.797 (3)(b) or section 3 (5)(c) of this **2025** Act, in which case a petitioner may raise new issues based upon applicable criteria that were omitted from the notice. However, the board may refuse to allow new issues to be raised if it finds that the issue could have been raised before the local government; or

"(b) The local government made a land use decision or limited land use decision which is different from the proposal described in the notice to such a degree that the notice of the proposed action did not reasonably describe the local government's final action.

"(5) The board shall reverse or remand a land use decision not subject to 22an acknowledged comprehensive plan and land use regulations if the decision 23does not comply with the goals. The board shall reverse or remand a land 24use decision or limited land use decision subject to an acknowledged com-25prehensive plan or land use regulation if the decision does not comply with 26the goals and the Land Conservation and Development Commission has is-27sued an order under ORS 197.320 or adopted a new or amended goal under 28ORS 197.245 requiring the local government to apply the goals to the type 29 of decision being challenged. 30

"(6) The board shall reverse or remand an amendment to a comprehensiveplan if the amendment is not in compliance with the goals.

"(7) The board shall reverse or remand an amendment to a land use regulation or the adoption of a new land use regulation if:

5 "(a) The regulation is not in compliance with the comprehensive plan; or 6 "(b) The comprehensive plan does not contain specific policies or other 7 provisions which provide the basis for the regulation, and the regulation is 8 not in compliance with the statewide planning goals.

9 "(8) The board shall reverse or remand a decision involving the applica-10 tion of a plan or land use regulation provision if the decision is not in 11 compliance with applicable provisions of the comprehensive plan or land use 12 regulations.

"(9) In addition to the review under subsections (1) to (8) of this section,
the board shall reverse or remand the land use decision under review if the
board finds:

16 "(a) The local government or special district:

17 "(A) Exceeded its jurisdiction;

"(B) Failed to follow the procedures applicable to the matter before it in
a manner that prejudiced the substantial rights of the petitioner;

20 "(C) Made a decision not supported by substantial evidence in the whole 21 record;

22 "(D) Improperly construed the applicable law; or

23 "(E) Made an unconstitutional decision; or

²⁴ "(b) The state agency made a decision that violated the goals.

"(10)(a) The board shall reverse a local government decision and order the
local government to grant approval of an application for development denied
by the local government if the board finds:

"(A) Based on the evidence in the record, that the local government decision is outside the range of discretion allowed the local government under
its comprehensive plan and implementing ordinances; or

"(B) That the local government's action was for the purpose of avoiding
the requirements of ORS 215.427 or 227.178.

"(b) If the board does reverse the decision and orders the local government to grant approval of the application, the board shall award attorney
fees to the applicant and against the local government.

6 "(11)(a) Whenever the findings, order and record are sufficient to allow 7 review, and to the extent possible consistent with the time requirements of 8 ORS 197.830 (14), the board shall decide all issues presented to it when re-9 versing or remanding a land use decision described in subsections (2) to (9) 10 of this section or limited land use decision described in ORS 197.828 and 11 197.195.

"(b) Whenever the findings are defective because of failure to recite adequate facts or legal conclusions or failure to adequately identify the standards or their relation to the facts, but the parties identify relevant evidence in the record which clearly supports the decision or a part of the decision, the board shall affirm the decision or the part of the decision supported by the record and remand the remainder to the local government, with direction indicating appropriate remedial action.

"(12) The board may reverse or remand a land use decision under review due to ex parte contacts or bias resulting from ex parte contacts with a member of the decision-making body, only if the member of the decisionmaking body did not comply with ORS 215.422 (3) or 227.180 (3), whichever is applicable.

"(13) Subsection (12) of this section does not apply to reverse or remand
of a land use decision due to ex parte contact or bias resulting from ex parte
contact with a hearings officer.

"(14) The board shall reverse or remand a land use decision or limited
land use decision which violates a commission order issued under ORS
197.328.

³⁰ "(15) In cases in which a local government provides a quasi-judicial land

use hearing on a limited land use decision, the requirements of subsections
 (12) and (13) of this section apply.

"(16) The board may decide cases before it by means of memorandum decisions and shall prepare full opinions only in such cases as it deems proper.
"<u>SECTION 6.</u> Sections 1 and 3 of this 2025 Act and the amendments
to ORS 197.830 and 197.835 by sections 4 and 5 of this 2025 Act become
operative July 1, 2026.

8 "SECTION 7. Section 8 of this 2025 Act is added to and made a part
9 of ORS chapter 197A.

10 "<u>SECTION 8.</u> (1) A local government may not apply residential de-11 sign standards to an application for the development of housing within 12 an urban growth boundary unless the application is for the develop-13 ment of a multifamily structure as defined in ORS 197A.465 or fewer 14 than 20 residential units.

"(2) This section does not apply to land use regulations or require-15ments that are related to setbacks, building height, accessibility, fire 16 ingress or egress, public health or safety, state or federal water quality 17 standards, hazardous or contaminated site cleanup or wildlife pro-18 tection or that implement statewide land use planning goals relating 19 to natural resources, natural hazards, the Willamette River Greenway, 20estuarine resources, coastal shorelands, beaches and dunes or ocean 21resources. 22

23 **"(3) As used in this section:**

"(a) 'Residential design standards' means standards intended to
 preserve the desired character, architectural expression, decoration
 or aesthetic quality of new homes, including standards regulating:

27 "(A) Facade materials, colors or patterns;

28 **"(B) Roof decoration, form or materials;**

²⁹ "(C) Accessories, materials or finishes for entry doors or garages;

30 "(D) Window elements such as trim, shutters or grids;

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- 1 "(E) Fence type, design or finishes;
- "(F) Architectural details, such as ornaments, railings, cornices and
 columns;
- 4 "(G) Size and design of porches or balconies;
- 5 "(H) Variety of design or floorplan; or
- 6 "(I) Front or back yard area landscaping materials or vegetation.
- "(b) 'Residential units' means any new single-unit dwellings, manufactured dwellings and units of middle housing, as defined in ORS
- 9 **197A.420.**
- ¹⁰ "<u>SECTION 9.</u> Section 8 of this 2025 Act is repealed January 2, 2033.
- "SECTION 10. This 2025 Act takes effect on the 91st day after the
 date on which the 2025 regular session of the Eighty-third Legislative
 Assembly adjourns sine die.".

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