



March 11, 2025

Representative Pam Marsh, Chair
House Committee on Housing and Homelessness
900 Court St. NE
Salem, OR 97301

RE: Support for HB 2968

Dear Chair Marsh and members of the committee:

On behalf of the Oregon Building Officials Association (OBOA), thank you for the opportunity to write in support of HB 2968. OBOA’s members do not levy system development charges (SDCs) but are the public face of SDCs because they generally collect SDCs from developers when issuing building permits. It is important to note that the SDCs collected by building departments are not always levied by the jurisdiction that employs them – meaning they generally collect SDCs on behalf of overlapping jurisdictions in addition to any SDCs that their jurisdiction imposes on development.

For example, a city may operate a drinking water utility but may not operate the wastewater utility. Yet when a developer comes to a city building counter, the building department collects the SDCs for sewer services on behalf of the wastewater utility and then remits the collected funds to the wastewater utility. This nuance is one reason why cities and public utilities have eschewed efforts to require SDCs be deferred to certificate of occupancy. Not only is there a risk for local taxpayers because public agencies cannot guarantee collection of SDCs at certificate of occupancy, but there is also risk for ratepayers of overlapping jurisdictions who rely on partner local governments to collect those SDCs on their behalf.

That is why we appreciate Representative Gamba’s sensible leadership with HB 2968. The bill simultaneously recognizes the impact SDCs have on developers who carry the cost of SDCs through the development process, while also insulating local governments from the risk that would come from a statutory requirement to defer SDCs to certificate of occupancy. Instead, HB 2968 incentivizes local governments to allow deferral of SDCs to certificate of occupancy by having the state guarantee any debt not paid. We urge support for HB 2968.

Thank you,

Andy Smith