



Testimony by City of Wilsonville Mayor Shawn O'Neil Opposing HB 3505 A:

Proposed Legislation Deprives Cities of Key Infrastructure Funding Mechanism by Limiting System Development Charge for Water Capacity

Scheduled for public hearing on April 16, 2025, before
the Senate Committee On Housing and Development

Chair Pham, Vice-Chair Anderson, and Members of the Committee:

I am testifying in opposition to HB 3505 A, which preempts cities' ability to apply a key System Development Charge (SDC) for a larger-than-normal water meter used for residential fire-sprinkler systems.

SDCs are one-time fees that local governments and utilities charge to new developments to help pay for the infrastructure needed to support growth. These charges are intended to fund the expansion of public facilities, ensuring that new developments contribute their fair share to the costs of roads, water, sewer, stormwater, and parks. SDCs in Oregon are authorized under ORS 223.297 to 223.314, which sets out guidelines for how local governments can establish and administer these fees.

The City has to ensure there is capacity in its water system to supply the additional fire-fighting water flow, even if it's not anticipated to be utilized often. Paying for the additional water capacity for new development comes from SDCs.

If Wilsonville needs to accommodate an exemption for fire-sprinkler meters, then the city will need to update its SDC-charging methodology to assure that it is not under-collecting for future infrastructure system upgrades. Updating the city's SDC methodology costs around \$200,000 and may result in an overall increase in SDCs for all properties to offset the loss of revenue from exempting larger-than-normal water meters used for residential fire-sprinkler systems. In this way, HB 3505 A creates an unfunded state mandate to local governments costing additional funds and that impairs their ability to appropriately fund important infrastructure upgrades.

The City appreciates your consideration and urges a "no" vote on HB 3505 A.

Shawn O'Neil, Mayor
City of Wilsonville