

Chair Jama, Vice Chair Bonham and Members of the Senate Committee on Rules:

Thank you for the opportunity to submit testimony in support of HB 2658 with the -5 amendment. Oregon REALTORS[®] is a trade association made up of roughly 18,000 members who serve as real estate brokers, principal real estate brokers, property managers, and affiliated industry professionals. In turn, our members represent hundreds of thousands of Oregonians in their real property transactions.

The genesis of this bill was <u>reporting by KATU news</u> that some small business and homeowners were being required to complete six-figure frontage improvements such as sidewalks and corner ramps in order to get permits for primarily interior renovations to their commercial spaces or homes, essentially doubling the cost of their projects. In one instance, <u>one of our members was</u> <u>required to do a \$100K+ frontage improvement</u> for her small office renovation when plans already existed for ODOT to complete the work as part of a larger project.

The -5 amendment does two simple things:

- Prevents a city or county from requiring frontage improvements if the property owner is applying for a construction permit for less than \$150,000 worth of work to an existing building that will not increase the square footage of the building or otherwise expand the building footprint (adjusted annually for inflation)¹ AND
- 2. Requires cities and counties to coordinate with the permit applicant and ODOT if a frontage improvement is required along a state highway, to determine if design, engineering or construction plans already exist for the improvement. This will ensure that the permit applicant can make an informed choice about whether to proceed with their project or to wait for ODOT to complete it, and to allow the applicant to benefit from pre-existing plans should the applicant decide to proceed.

The provisions of the bill take effect January 1, 2026 for jurisdictions with population of 15,000 or greater and January 1, 2031 for all jurisdictions.

We appreciate the cities and counties working with us to amend the bill in a fashion that will benefit small businesses and homeowners without removing the ability of cities and counties to finance larger infrastructure projects or require frontage improvements for larger development projects. Thank you for consideration of our testimony.

¹ The bill does not prohibit cities and counties from requiring frontage improvements if required to do so by the Americans with Disabilities Act, or if there is a change to the existing and proposed building occupancy classification group.