



HB 2658A – Public Improvement Project Cost-Shifting Prevention Act

Problem

Some local governments are unfairly burdening permit applicants by requiring them to complete and pay for public improvements that are already slated to be completed and paid for by a public body.

Example – [Portland put costly corner improvements on business owner despite upcoming state project \(KATU\)](#)

Importance

To put it simply, this is an issue of basic fairness. No person should have to pick up the burden of conducting and paying for a public improvement project that is already slated to be completed and paid for merely because the person submitted a permit application.

Solution

Under facilitation from Rep. Evans, Oregon REALTORS® and the League of Oregon Cities worked to develop the -1 amendment, which we believe is a reasonable way to preserve the intent of the bill while addressing cities most pressing concerns. We thank Rep. Evans and the cities for their partnership in this endeavor.

HB 2658A with the -1 amendment prohibits local governments from conditioning a permit for development on a single lot or parcel on the applicant funding, implementing, creating, repairing, renovating or installing an improvement for which the local government or other public body has already:

- (A) Appropriated or allocated the funds necessary for the improvement;
- (B) Approved plans for the improvement by someone other than the applicant, provided that the construction of that improvement is reasonably expected to commence within four years from the date of the permit application; or
- (C) Initiated procurement of the improvement.

The -1 amendment creates an exception for infrastructure improvements required by the Americans with Disabilities Act.

HB 2658-1 does not prevent local governments from requiring permit applicants to pay for the impacts of their development.

HB 2658-1 does not apply to subdivisions or other developments where a developer is applying for a permit or zone change related to multiple lots or parcels.

HB 2658-1 provides a delayed operative date for cities and counties with populations of less than 15,000.

Benefits

- Ensures fairness towards permit applicants.
- Ensures lower gross costs for public improvement projects.
- Ensures timely completion of planned public projects.