Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) As used in this section:
   (a) “Conditions of development” means requirements that, as part of a residential subdivision, a developer, declarant or owner must construct public improvements that are contained in:
      (A) A development agreement under ORS 94.504 to 94.528;
      (B) Conditions of approval under ORS 92.040, 215.416 or 227.175; or
      (C) Any other agreement with, or conditional approval by, a local government.
   (b) “Residential subdivision” means a residential development requiring a developer, declarant or owner to subdivide land, as defined in ORS 92.010, and to obtain a permit under ORS 215.416 or 227.175.
   (c) “Substantial completion” means the city, county or other appropriate public body has inspected, tested and found acceptable under applicable code requirements, unless the parties agree to a lower standard:
      (A) The water supply system;
      (B) The fire hydrant system;
      (C) The sewage disposal system;
      (D) The storm water drainage system, excepting any landscaping requirements that are part of the system;
      (E) The curbs;
      (F) The demarcating of street signs acceptable for emergency responders; and
      (G) The roads necessary for access by emergency vehicles.
   (2) A city or county may not deny a building permit allowing the construction of residential dwellings under a residential subdivision on the basis that the conditions of development have not been met, if:
      (a) Substantial completion of conditions of development for the residential subdivision occurs; and
      (b) The developer, declarant or owner, to secure the completion of the remaining public improvements included as conditions of development for the residential subdivision:
         (A) Obtains and maintains a bond; or
         (B) Undertakes an alternative form of financial guarantee, if any, that is acceptable to, but may not be required by, the city or county.
   (3) Subsection (2) of this section does not prevent a city or county from declining to issue certificates of occupancy for any residential dwellings if all conditions of development are not fully completed or the conditions for the release of the bond are not fulfilled.

Approved by the Governor June 17, 2019
Filed in the office of Secretary of State June 18, 2019
Effective date January 1, 2020