

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2420 - 5

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: 4/15/2019

Measure Description:

Requires that municipal building official be employed by municipality or council of governments or under intergovernmental agreement.

Government Unit(s) Affected:

Cities, Counties, Department of Consumer and Business Services (DCBS)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

The measure would require any city or county that administers and enforces a building inspection program to employ or contract with a municipal building official and a municipal building inspector. The measure would limit the ability of a municipal building official and a municipal building inspector to serve multiple jurisdictions. An official or inspector would not be permitted to serve more than three adjacent counties; however, an official or inspector would be permitted to serve any number of cities within those three adjacent counties, subject to a determination by the Department of Consumer and Business Services that the official or inspector could reasonably serve the counties or cities on a timely basis. It would establish minimum qualifications and experience needed for a municipal building official and a municipal building inspector. The measure would authorize a city or county to hire a contractor for enforcement services, though the contractor would be subject to supervision by a municipal building official. The measure would require a city or county administering and enforcing a building inspection program to establish an administrative appeal process in the event of an adverse ruling made by a municipal building official. It would consider a municipal building official and a municipal building inspector, regardless of how employed, to be a public official subject to government ethics laws prohibiting conflicts of interest. The measure would also create a system to verify compliance with the new standards for existing inspection programs.

The measure would provide cities 90 days to confirm that they intend to continue their program and comply with the standards in the measure by July 1, 2020. If a city were to choose not to retain its program, then it would revert to the county in which the city is located. It would validate any past action taken by a municipality, if that action would have been lawful had it been performed by the Department of Consumer and Business Services. The measure would take effect upon passage and become operative on July 1, 2021.

Department of Consumer and Business Services (DCBS):

DCBS believes that any rulemaking required by the measure could be achieved with existing agency resources. The measure would thus have a minimal fiscal impact to DCBS. This conclusion assumes, however, that no counties would revert their building inspection programs to the State. (Presently, Malheur County is the only county using private inspection services.) If one or more counties revert these programs to the State, DCBS would need additional staffing to manage the increased workload.

Cities:

For some Cities, the measure could potentially increase the costs of administering and enforcing building code programs by having to employ or contract with other governmental entities to employ new building officials. The heightened qualifications for building officials generally could require cities that do not have building officials that meet these qualifications to hire new officials and/or inspectors. These heightened qualifications could increase the personal services costs that Cities incur.

The measure could also reduce the number of private entities available to provide plan reviews and inspection services, which would increase the cost of running overflow contracts. This means that Cities would either need to significantly increase costs to run these programs or revert them to the Counties or the State, which would increase the Counties and/or the State's respective costs to administer and enforce them. However, because it is unclear how many Cities would revert these inspection programs to the Counties, the fiscal impact is indeterminate to Cities.

Counties:

The measure affords Cities the ability to revert their building inspection programs to the Counties in which they are located. It is unclear how many Cities, if any, would revert their programs to the Counties. A program reversion to the Counties could have a substantial fiscal impact on Counties, especially those that contract with third parties for these services. A program reversion could also delay the processing of building permits and inspections, which could impact other services such as building affordable housing. However, because it is unclear how many Cities would revert these inspection programs to the Counties, the fiscal impact is indeterminate to Counties.