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Legislative Fiscal Office

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Measure Description:
Eliminates Department of Consumer and Business Services regulation of recreational vehicle construction.

Government Unit(s) Affected:
Department of Consumer and Business Services (DCBS), Oregon Department of Transportation (ODOT)

Summary of Fiscal Impact:
Costs related to the measure may require budgetary action - See analysis.

Analysis:
SB 410 terminates the Department of Consumer and Business Services (DCBS), Building Codes Division (BCD) regulation of recreational vehicle (RV) construction and modifies the definition of recreational vehicle for use in certain statutes external to manufactured structure construction. The bill also expands the types of structures intended for out-of-state delivery exempted from state building code requirements.

Department of Consumer and Business Services (DCBS)
Based on the average of actual revenue in the two recent prior biennia, passage of this bill would reduce the Building Codes Division's projected revenue by an estimated $571,032 Other Funds for the 18 months in the 2019-21 biennium, and an estimated $772,829 Other Funds for the 2021-23 biennium. The corresponding projected expense reduction for the RV program is estimated at $62,577 Other Funds for 18 months in the 2019-21 biennium, and $74,361 Other Funds for the 2021-23 biennium. These expenditure reductions are based on the current 2019 cost allocation split, which is an equivalent of 0.45 FTE split across BCD. The 0.45 FTE represents portions of administrative support, policy, and management positions assigned to this function.

Under current practice, the Recreational Vehicle (RV) program and the Manufactured Housing Inspection program have operated under the same section within BCD. The reduction of revenue resulting from passage of this bill will have an impact on the Manufactured Housing Inspection program, which operates under an annual federal contract with the Department of Housing and Urban Development (HUD). If this bill becomes law, DCBS anticipates a fee increase for the in-plant manufactured home inspections services along with a reduction in Manufactured Housing Inspection program expenses to align with available revenue. At this time, DCBS cannot quantify these adjustments. Passage of this bill could result in the discontinuation of state services under the federal program and the return of the program to HUD. The Building Codes Division receives federal funds from HUD to partially offset the in-plant inspection program and the consumer protection program. Federal revenue is based on Oregon production of manufactured homes. State fees are charged to Oregon manufacturers to cover the costs of the inspections and consumer protection programs not covered by federal funds. With passage of this bill, DCBS will evaluate the in-plant inspection program and the consumer protection program to ascertain if these programs need to be returned to HUD.

Oregon Department of Transportation (ODOT)
The fiscal impact of this measure to ODOT is anticipated to be minimal. ODOT will use existing staff and resources to revise rules and fees forms. Because ODOT currently titles and registers RVs, the agency does not anticipate an increase in fee revenue.