



Legislative Fiscal Office
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Bill Title: Relating to the authority of agencies that regulate building safety in this state.

Government Unit(s) Affected: Department of Justice, Judicial Department, Department of Consumer and Business Services, Construction Contractors Board, Counties, Cities

Summary of Fiscal Impact

Costs related to this measure are anticipated to have a fiscal impact - see explanatory analysis.

Measure Description

The measure authorizes the Department of Consumer and Business Services (DCBS) and the Electrical and Elevator Board to partner with municipalities to manage building inspections and electrical licensing enforcement. The measure expands agreement terms to include enforcement authority, allocation of civil penalty proceeds, and program and activity responsibilities. The measure increases Other Funds expenditure limitation by \$500,000 for DCBS to implement specified changes.

Under current law, DCBS or an appropriate advisory board is authorized to impose a civil penalty of no more than \$5,000 for state building code and other safety violations. The measure increases the maximum amount the agency or advisory board may impose. The revenue from these civil penalties is continuously appropriated to DCBS for enforcement and administration of the program.

Under current law, the Construction Contractors Board (CCB) is authorized to retain 20% of the annual funds the Board collects from civil penalties and other sanctions. The measure increases the amount the Board may retain to 50%. The measure requires any funds the board retains from civil penalties and other sanctions to be continuously appropriated to the board for administering collections.

Fiscal Analysis

Due to the increase in civil penalty revenue collected by DCBS and the increase in civil penalty revenue retained by CCB, both agencies would need additional Other Funds expenditure limitation.

Department of Consumer and Business Services

In calendar year 2024, DCBS collected \$236,000 in civil penalties for 53 cases with a maximum civil penalty of \$5,000. With the civil penalty increase of \$2,500 (to \$7,500) and using historical caseload, the anticipated increase in revenue is \$132,500 per year or approximately \$265,000 for the 2025-27 biennium. DCBS would need additional Other Funds expenditure limitation to expend these funds for enforcement and administration of the program.

The agency anticipates the increased workload and associated costs of implementing the measure would be \$28,250 Other Funds in the 2025-27 biennium and \$26,875 Other Funds in the 2027-29 biennium. DCBS reports that these costs can be absorbed within current resources.

Construction Contractors Board

Historically, the Board has collected approximately \$1.5 million in civil penalties per biennium with 80% being distributed to the General Fund. Based on collections data, the Board anticipates retaining an estimated \$345,000 per biennium in civil penalty revenue. CCB would need additional Other Funds expenditure limitation to expend these funds for administering agency license and enforcement programs.

Judicial Department

The fiscal impact of this measure on the Oregon Judicial Department (OJD) is minimal. An aggrieved person has the right to appeal their civil penalty fee to the court system, however, few such cases are expected to be filed.

Department of Justice

The fiscal impact of this measure on the Department of Justice (DOJ) is minimal. DOJ anticipates using existing staff to assist with DCBS with the drafting of intergovernmental agreements.

The measure has no fiscal impact on cities or counties.

Relevant Dates

The measure takes effect on January 1, 2026.