



Legislative Fiscal Office
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Bill Title: Relating to a deadline within which to act upon an application for a building permit.

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

Summary of Fiscal Impact

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

Measure Description

The measure requires the Department of Consumer and Business Services (DCBS), cities, and counties, responsible for administering and enforcing the state building code to approve and issue, or disapprove and deny, any application for a building permit for middle housing or single-family housing residential housing with more than six lots no later than 45 business days after the date on which an applicant submits a complete application. DCBS, cities, and counties shall publish on a publicly available website associated with building permit applications, and make available in their offices, the criteria used to determine if an application is complete. If DCBS, cities, and counties do not disapprove or otherwise act on an application for a building permit within the 45-day period, the building permit is approved; and DCBS, cities, and counties shall issue the building permit to the applicant promptly.

If DCBS, cities, and counties fail to promptly issue a building permit, the applicant may bring a civil action against DCBS, cities, or counties in a circuit court with jurisdiction over the matter. In the action, the applicant may obtain injunctive relief and recovery of actual costs incurred, including the application fee. If the applicant prevails in the civil action, the court may award attorney fees and costs to the applicant as the prevailing party.

Fiscal Analysis

The fiscal impact of the measure is indeterminate to cities and counties. Currently, cities are not subject to any timeline under which they must approve building permits for any type of residential unit, whereas counties are required to issue building permits within 150 days of receiving a completed application. In 2023, state and local governments in Oregon issued 17,600 new housing permits; in 2024, that number decreased to 14,270. More recently, 996 new building permits were issued in January 2025, which equates to about 11,952 building permits issued in 2025. The number of these permits for middle housing or single-family homes in subdivisions greater than six is unknown. Additionally, there is no conclusive data on how long it takes cities and counties to process the average building permit, as different building permits have different levels of complexity and present different logistical issues. Although cities and counties estimate that on average their building permits are issued within the 45-day timeline prescribed by the measure, there might be instances in which it takes longer than 45 days to issue a building permit. Costs to cities and counties to accommodate the reduced timeline may include additional planning, engineering, and building permit positions, as well as information technology upgrades to track permits.

If the number of building permits issued in 2026 are comparable to the number issued in 2025, there might be instances where cities and counties are unable to issue a permit within 45 days. Assuming that is the case, it is

unknown how many permits cities and counties would fail to issue within that 45-day period; and among those that are not issued within 45-day period, it is unknown how many permit applicants would pursue legal action in court, including recovery of their actual costs and attorney fees. This provision has the potential to increase city and county legal costs, as cities and counties could potentially be liable for the costs of defending a lawsuit, paying damages, and attorney fees. Furthermore, the potential for increased legal costs may impact city and county insurance premiums with CityCounty Insurance Services due to the increased cost of defending a lawsuit and indemnifying cities and counties for their legal costs. In addition, cities and county may incur additional administrative costs associated with implementing changes to their building permitting systems, including additional staffing costs.

The measure is anticipated to have a minimal fiscal impact on DCBS, the Oregon Judicial Department, and Department of Justice.

Relevant Dates

The measure takes effect on January 1, 2026, and first applies to completed applications for building permits that applicants submit on or after the measure's effective date.