House Bill 2478

Sponsored by Representative SCHAUFLER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Requires that municipality assuming building inspection program have population of at least 35,000. Applies to programs for which Director of Department of Consumer and Business Services receives notification of program assumption from municipality on or after January 2, 2008.

Restates grounds for Department of Consumer and Business Services assumption of municipal building programs.

A BILL FOR AN ACT

Relating to building inspection programs; creating new provisions; and amending ORS 455.148, 455.150, 455.152, 455.160, 455.210 and 455.220.

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

- **SECTION 1.** ORS 455.148 is amended to read:
- 455.148. (1)(a) A municipality that assumes the administration and enforcement of a building inspection program [on or after January 1, 2002,] shall administer and enforce the program for all of the following:
- 9 (A) The state building code, as defined in ORS 455.010, except as set forth in paragraph (b) of this subsection;
- 11 (B) Manufactured structure installation requirements under ORS 446.155, 446.185 (1) and 446.230;
- 12 (C) Manufactured dwelling parks and mobile home parks under ORS chapter 446;
- 13 (D) Park and camp programs regulated under ORS 455.680;
- 14 (E) Tourist facilities regulated under ORS 446.310 to 446.350;
- 15 (F) Manufactured dwelling alterations regulated under ORS 446.155; and
- 16 (G) Manufactured structure accessory buildings and structures under ORS 446.253.
- 17 (b) A building inspection program of a municipality may not include:
- 18 (A) Boiler and pressure vessel programs under ORS 480.510 to 480.670;
- 19 (B) Elevator programs under ORS 460.005 to 460.175;
- 20 (C) Amusement ride regulation under ORS 460.310 to 460.370;
- 21 (D) Prefabricated structure regulation under ORS chapter 455;
- 22 (E) Manufacture of manufactured structures programs under ORS 446.155 to 446.285, including
- 23 the administration and enforcement of federal manufactured dwelling construction and safety stan-
- 24 dards adopted under ORS 446.155 or the National Manufactured Housing Construction and Safety
- 25 Standards Act of 1974;

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- 26 (F) Licensing and certification, or the adoption of statewide codes and standards, under ORS chapter 446, 447, 455, 479 or 693; or
 - (G) Review of plans and specifications as provided in ORS 455.685.
 - (2) To qualify for the assumption of a building inspection program under this section, a municipality must have a population of at least 35,000 on the date that the municipality no-

NOTE: Matter in **boldfaced** type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in **boldfaced** type.

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tifies the Director of the Department of Consumer and Business Services under subsection (8) of this section that the municipality plans to assume responsibility for the program. This subsection does not apply to a municipality notifying the director under subsection (5) of this section that the municipality plans to continue the administration and enforcement of a building inspection program. For purposes of this subsection, "population" means the number of residents of the municipality according to the latest federal decennial census or an estimate of count under ORS 190.510 to 190.610, whichever is more recent.

[(2)] (3) A municipality that administers a building inspection program as allowed under this section shall do so for periods of four years. The Department of Consumer and Business Services shall adopt rules to adjust time periods for administration of a building inspection program to allow for variations in the needs of the department and participants.

[(3)] (4) When a municipality administers a building inspection program, the governing body of the municipality shall, unless other means are already provided, appoint a person to administer and enforce the building inspection program, who shall be known as the building official. A building official shall, in the municipality for which appointed, attend to all aspects of code enforcement, including the issuance of all building permits. Two or more municipalities may combine in the appointment of a single building official for the purpose of administering a building inspection program within their communities.

[(4)(a)] (5)(a) By January 1 of the year preceding the expiration of the four-year period described in subsection [(2)] (3) of this section, the governing body of the municipality shall notify the Director of the Department of Consumer and Business Services and, if the municipality is not a county, notify the county whether the municipality will continue to administer and enforce the building inspection program after expiration of the four-year period.

(b) Notwithstanding the January 1 date set forth in paragraph (a) of this subsection, the director and the municipality and, if the municipality is not a county, the county may by agreement extend that date to no later than March 1.

[(5)] (6) If a city does not notify the director, or notifies the director that it will not administer the building inspection program, the county or counties in which the city is located shall administer and enforce the county program within the city in the same manner as the program is administered and enforced outside the city, except as provided by subsection [(6)] (7) of this section.

[(6)] (7) If a county does not notify the director, or notifies the director that it will not administer and enforce a building inspection program, the director shall contract with a municipality or other person or use such state employees or state agencies as are necessary to administer and enforce a building inspection program, and permit or other fees arising therefrom shall be paid into the Consumer and Business Services Fund created by ORS 705.145 and credited to the account responsible for paying the expenses thereof. A state employee may not be displaced as a result of using contract personnel.

[(7)] (8) The governing body of a municipality may commence responsibility for the administration and enforcement of a building inspection program beginning July 1 of any year by notifying the director no later than January 1 of the same year and obtaining the director's approval of an assumption plan as described in subsection [(11)(c)] (12)(c) of this section.

[(8)] (9) The department shall adopt rules to require the governing body of each municipality assuming or continuing a building inspection program under this section to submit a written plan with the notice required under subsection [(4) or (7)] (5) or (8) of this section. If the department is the governing body, the department shall have a plan on file. The plan must specify how cooperation

with the State Fire Marshal or a designee of the State Fire Marshal will be achieved and how a uniform fire code will be considered in the review process of the design and construction phases of buildings or structures.

- [(9)] (10) A municipality that administers and enforces a building inspection program pursuant to this section shall recognize and accept the performances of state building code activities by businesses and persons authorized under ORS 455.457 to perform the activities as if the activities were performed by the municipality. A municipality is not required to accept an inspection, a plan or a plan review that does not meet the requirements of the state building code.
- [(10)] (11) The department or a municipality that accepts an inspection or plan review as required by this section by a person licensed under ORS 455.457 has no responsibility or liability for the activities of the licensee.
- [(11)] (12) In addition to the requirements of ORS 455.100 and 455.110, the director shall regulate building inspection programs that municipalities assume [on or after January 1, 2002] under this section. Regulation under this subsection shall include but not be limited to:
- (a) Creating building inspection program application and amendment requirements and procedures;
 - (b) Granting or denying applications for building inspection program authority and amendments;
- (c) Requiring a municipality assuming a building inspection program to submit with the notice given under subsection [(7)] (8) of this section an assumption plan that includes, at a minimum:
- (A) A description of the intended availability of program services, including proposed service agreements for carrying out the program during at least the first two years;
- 22 (B) Demonstration of the ability and intent to provide building inspection program services for 23 at least two years;
 - (C) An estimate of proposed permit revenue and program operating expenses;
 - (D) Proposed staffing levels; and
 - (E) Proposed service levels;

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- (d) Reviewing procedures and program operations of municipalities;
- 28 (e) Creating standards for efficient, effective, timely and acceptable building inspection pro-29 grams;
 - (f) Creating standards for justifying increases in building inspection program fees adopted by a municipality;
 - (g) Creating standards for determining whether a county or department building inspection program is economically impaired in its ability to reasonably continue providing the program throughout a county, if another municipality is allowed to provide a building inspection program within the same county; and
 - (h) Enforcing the requirements of this section.
 - [(12)] (13) The department may assume administration of a building inspection program:
 - (a) During the pendency of activities under ORS 455.770;
- 39 (b) If a municipality abandons or is no longer able to administer the building inspection program; 40 [and] **or**
 - (c) If a municipality fails to substantially comply with any provision of this section or of ORS 455.465, 455.467 and 455.469.
 - [(13)] (14) A municipality that abandons or otherwise ceases to administer a building inspection program that the municipality assumed under this section may not resume the administration or enforcement of the program for at least two years. The municipality may resume the administration

and enforcement of the abandoned program only on July 1 of an odd-numbered year. Prior to resuming the administration and enforcement of the program, the municipality must follow the notification procedure set forth in subsection [(7)] (8) of this section.

SECTION 2. ORS 455.150 is amended to read:

- 455.150. (1) **Notwithstanding ORS 455.148,** a municipality that [assumes] **assumed** the administration and enforcement of a building inspection program prior to January 1, 2002, may administer and enforce all or part of a building inspection program. A building inspection program:
 - (a) Is a program that includes:

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- (A) The state building code, as defined in ORS 455.010, except as set forth in paragraph (b) of this subsection;
- (B) Manufactured structure installation requirements under ORS 446.155, 446.185 (1) and 446.230;
- 12 (C) Manufactured dwelling parks and mobile home parks under ORS chapter 446;
 - (D) Park and camp programs regulated under ORS 455.680;
- 14 (E) Tourist facilities regulated under ORS 446.310 to 446.350;
- 15 (F) Manufactured dwelling alterations regulated under ORS 446.155; and
- 16 (G) Manufactured structure accessory buildings and structures under ORS 446.253.
- 17 (b) Is not a program that includes:
 - (A) Boiler and pressure vessel programs under ORS 480.510 to 480.670;
- 19 (B) Elevator programs under ORS 460.005 to 460.175;
- 20 (C) Amusement ride regulation under ORS 460.310 to 460.370;
 - (D) Prefabricated structure regulation under ORS chapter 455;
 - (E) Manufacture of manufactured structures programs under ORS 446.155 to 446.285, including the administration and enforcement of federal manufactured dwelling construction and safety standards adopted under ORS 446.155 or the National Manufactured Housing Construction and Safety Standards Act of 1974:
 - (F) Licensing and certification, or the adoption of statewide codes and standards, under ORS chapter 446, 447, 455, 479 or 693; and
 - (G) Review of plans and specifications as provided in ORS 455.685.
 - (2) A municipality that administers a building inspection program as allowed under this section shall do so for periods of four years. The Department of Consumer and Business Services shall adopt rules to adjust time periods for administration of a building inspection program to allow for variations in the needs of the department and participants.
 - (3) When a municipality administers a building inspection program, the governing body of the municipality shall, unless other means are already provided, appoint a person to administer and enforce the building inspection program or parts thereof, who shall be known as the building official. A building official shall, in the municipality for which appointed, attend to all aspects of code enforcement, including the issuance of all building permits. Two or more municipalities may combine in the appointment of a single building official for the purpose of administering a building inspection program within their communities.
 - (4)(a) By January 1 of the year preceding the expiration of the four-year period described in subsection (2) of this section, the governing body of the municipality shall notify the Director of the Department of Consumer and Business Services and, if not a county, notify the county whether the municipality will continue to administer the building inspection program, or parts thereof, after expiration of the four-year period. If parts of a building inspection program are to be administered and enforced by a municipality, the parts shall correspond to a classification designated by the director

as reasonable divisions of work.

- (b) Notwithstanding the January 1 date set forth in paragraph (a) of this subsection, the director and the municipality and, if the municipality is not a county, the county may by agreement extend that date to no later than March 1.
- (5) If a city does not notify the director, or notifies the director that it will not administer certain specialty codes or parts thereof under the building inspection program, the county or counties in which the city is located shall administer and enforce those codes or parts thereof within the city in the same manner as it administers and enforces them outside the city, except as provided by subsection (6) of this section.
- (6) If a county does not notify the director, or notifies the director that it will not administer and enforce certain specialty codes or parts thereof under the building inspection program, the director shall contract with a municipality or other person or use such state employees or state agencies as are necessary to administer and enforce those codes or parts thereof, and permit or other fees arising therefrom shall be paid into the Consumer and Business Services Fund created by ORS 705.145 and credited to the account responsible for paying such expenses. A state employee may not be displaced as a result of using contract personnel.
- (7) If a municipality administering a building inspection program under this section seeks to administer additional parts of a program, the municipality must comply with ORS 455.148, including the population requirement and the requirement that the municipality administer and enforce all aspects of the building inspection program. Thereafter, the municipality is subject to ORS 455.148 and ceases to be subject to this section.
- (8) The department shall adopt rules to require the governing body of each municipality to submit a written plan with the notice required under subsection (4) of this section. If the department is the governing body, the department shall have a plan on file. The plan shall specify how cooperation with the State Fire Marshal or a designee of the State Fire Marshal will be achieved and how a uniform fire code will be considered in the review process of the design and construction phases of buildings or structures.
- (9) A municipality that administers a code for which persons or businesses are authorized under ORS 455.457 to perform activities shall recognize and accept those activities as if performed by the municipality. A municipality is not required to accept an inspection, a plan or a plan review that does not meet the requirements of the state building code.
- (10) The department or a municipality that accepts an inspection or plan review as required by this section by a person licensed under ORS 455.457 has no responsibility or liability for the activities of the licensee.
- (11) In addition to the requirements of ORS 455.100 and 455.110, the director shall regulate building inspection programs of municipalities assumed prior to January 1, 2002. Regulation under this subsection shall include but not be limited to:
- (a) Creating building inspection program application and amendment requirements and procedures;
 - (b) Granting or denying applications for building inspection program authority and amendments;
 - (c) Reviewing procedures and program operations of municipalities;
- (d) Creating standards for efficient, effective, timely and acceptable building inspection programs:
- (e) Creating standards for justifying increases in building inspection program fees adopted by a municipality;

- (f) Creating standards for determining whether a county or department building inspection program is economically impaired in its ability to reasonably continue providing the program or part of the program throughout a county, if another municipality is allowed to provide a building inspection program or part of a program within the same county; and
 - (g) Enforcing the requirements of this section.

- (12) The department may assume administration of a building inspection program:
- (a) During the pendency of activities under ORS 455.770;
- (b) If a municipality abandons any part of the building inspection program or is no longer able to administer the building inspection program; [and] **or**
- (c) If a municipality fails to substantially comply with any provision of this section or of ORS 455.465, 455.467 and 455.469.
- (13) If a municipality abandons or otherwise ceases to administer all or part of a building inspection program described in this section, the municipality may not resume the administration and enforcement of the abandoned program or part of a program for at least two years. The municipality may resume the administration and enforcement of the abandoned program or part of a program only on July 1 of an odd-numbered year. To resume the administration and enforcement of the abandoned program or part of a program, the municipality must comply with ORS 455.148, including **the population requirement and** the requirement that the municipality administer and enforce all aspects of the building inspection program. Thereafter, the municipality is subject to ORS 455.148 and ceases to be subject to this section.

SECTION 3. ORS 455.152 is amended to read:

- 455.152. (1) A municipality, 10 or more persons or an association with 10 or more members may file objections to a municipality's assumption of a building inspection program. The objections must be filed within 30 days after the Director of the Department of Consumer and Business Services gives notice of the application.
- (2) The director, by rule, shall establish a process for reviewing objections filed under subsection (1) of this section. The review process shall include but need not be limited to:
 - (a) Identification of economic impairment, if any, affecting the municipality;
- (b) Demonstration by the municipality that all building inspection program permits and services will be available, including any service agreements for carrying out building program services;
 - (c) Review of all elements of the assumption plan submitted by the municipality;
- (d) Demonstration by the municipality of the ability to provide building inspection program services for at least two years; [and]
- (e) Review of proposed levels of service, including the municipality's ability to maintain or improve upon existing service levels[.]; and
- (f) Review of whether the municipality has the population required for the assumption of a building inspection program.
- (3) Upon completion of a review under subsection (2) of this section, the director shall issue a final agency order approving or disapproving the application.

SECTION 4. ORS 455.160 is amended to read:

455.160. (1) The municipality that is responsible for state building code administration and enforcement in a municipality pursuant to ORS 455.148 or 455.150, or the Department of Consumer and Business Services if the department is responsible for state building code administration and enforcement pursuant to ORS 455.148 or 455.150, may not engage in a pattern of conduct of failing to provide timely inspections or plan reviews without reasonable cause.

- (2) Any person adversely affected by a pattern of conduct prohibited in subsection (1) of this section may serve the municipality or the department with a written demand to provide timely inspections or plan reviews.
- (3) If a municipality, within five days of receipt of the demand, fails to provide timely inspections or plan reviews without reasonable cause, the person who served the demand may seek to compel the inspections or plan reviews through a writ of mandamus pursuant to ORS 34.105 to 34.240. If the court finds that the municipality has engaged in a pattern of conduct of failing to provide timely inspections or plan reviews without reasonable cause, it may direct the municipality to provide timely inspections or plan reviews or to transfer the administration and enforcement of the code in question under procedures outlined in ORS 455.148 [(5) and] (6) and (7) or 455.150 (5) and (6).
- (4) If the department, within five days of receipt of the demand, fails to provide timely inspections or plan reviews without reasonable cause, the person who served the demand may seek to compel the inspections or plan reviews through a writ of mandamus pursuant to ORS 34.105 to 34.240. If the court finds that the department has engaged in a pattern of conduct of failing to provide timely inspections or plan reviews without reasonable cause, it may direct the department to provide timely inspections or plan reviews or to transfer the administration and enforcement of the code in question to an appropriate municipality, if the municipality accepts the responsibility. A municipality may accept the transfer of the administration and enforcement of a code under this subsection without becoming subject to ORS 455.148 as a result of accepting the transfer.

SECTION 5. ORS 455.210 is amended to read:

- 455.210. (1) Fees shall be prescribed as required by ORS 455.020 for plan review and permits issued by the Department of Consumer and Business Services for the construction, reconstruction, alteration and repair of prefabricated structures and of buildings and other structures and the installation of mechanical heating and ventilating devices and equipment. The fees may not exceed 130 percent of the fee schedule printed in the "Uniform Building Code," 1979 Edition, and in the "Uniform Mechanical Code," 1979 Edition, both published by the International Conference of Building Officials. Fees are not effective until approved by the Oregon Department of Administrative Services.
- (2) Notwithstanding subsection (1) of this section, the maximum fee the Director of the Department of Consumer and Business Services may prescribe for a limited plan review for fire and life safety as required under ORS 479.155 shall be 40 percent of the prescribed permit fee.
- (3)(a) A municipality may adopt by ordinance or regulation such fees as may be necessary and reasonable to provide for the administration and enforcement of any specialty code or codes for which the municipality has assumed responsibility under ORS 455.148 or 455.150. A municipality shall give the director notice of the proposed adoption of a new or increased fee under this subsection. The municipality shall give the notice to the director at the time the municipality provides the opportunity for public comment under ORS 294.160 regarding the fee or, if the proposed fee is contained in an estimate of municipal budget resources, at the time notice of the last budget meeting is published in a newspaper under ORS 294.401.
- (b) Ten or more persons or an association with 10 or more members may appeal the adoption of a fee described in this subsection to the Director of the Department of Consumer and Business Services. The persons or association must file the appeal no later than 60 days after the director receives notice of the proposed adoption of the fee from the municipality under paragraph (a) of this subsection. However, if the municipality failed to give notice to the director, an appeal may be filed with the director within one year after adoption of the new or increased fee. Upon receiving a

timely appeal, the director shall, after notice to affected parties and hearing, review the municipality's fee adoption process and the costs of administering and enforcing the specialty code or codes referred to in paragraph (a) of this subsection. The director shall approve the fee if the director feels the fee is necessary and reasonable. If the director does not approve the fee upon appeal, the fee is not effective. The appeal process provided in this paragraph does not apply to fees that have been submitted for a vote and approved by a majority of the electors voting on the question.

- (c) Fees collected by a municipality under this subsection shall be used for the administration and enforcement of a building inspection program for which the municipality has assumed responsibility under ORS 455.148 or 455.150.
- (d) For purposes of paragraph (b) of this subsection, in determining whether a fee is reasonable the director shall consider whether:
- (A) The fee is the same amount as or closely approximates the amount of the fee charged by other municipalities of a similar size and geographic location for the same level of service;
- (B) The fee is calculated with the same or a similar calculation method as the fee charged by other municipalities for the same service;
- (C) The fee is the same type as the fee charged by other municipalities for the same level of service; and
- (D) The municipality, in adopting the fee, complied with ORS 294.160, 294.361 and 294.401 and this section and standards adopted by the director under ORS 455.148 [(11)] (12) or 455.150 (11).
- (4) Notwithstanding any other provision of ORS 455.010 to 455.240, 455.310, 455.315 and 455.410 to 455.740, for the purpose of partially defraying state administrative costs, there is hereby imposed a surcharge in the amount of four percent of the total permit fees or, if the applicant chooses to pay an hourly rate instead of purchasing a permit, four percent of the total hourly charges collected. Municipalities shall collect and remit surcharges to the director as provided in ORS 455.220.
- (5) Notwithstanding any other provisions of ORS 455.010 to 455.240, 455.310, 455.315 and 455.410 to 455.740, for the purpose of partially defraying state inspection costs, there is hereby imposed a surcharge in the amount of two percent of the total permit fees or, if the applicant chooses to pay an hourly rate instead of purchasing a permit, two percent of the total hourly charges collected. Municipalities shall collect and remit surcharges to the director as provided in ORS 455.220.
- (6) Notwithstanding any other provision of ORS 455.010 to 455.240, 455.310, 455.315 and 455.410 to 455.740 and in addition to the surcharges imposed under subsections (4) and (5) of this section, for the purpose of defraying the cost of administering and enforcing the state building code, there is imposed a surcharge on permit fees and on hourly charges collected instead of permit fees. The surcharge may not exceed one percent of the total permit fees or, if the applicant chooses to pay an hourly rate instead of purchasing a permit, one percent of the total hourly charges collected. Municipalities shall collect and remit surcharges to the director as provided in ORS 455.220.
- (7) The director shall adopt administrative rules to allow reduced fees for review of plans that have been previously reviewed.

SECTION 6. ORS 455.220 is amended to read:

455.220. (1) There is hereby imposed a surcharge in the amount of one percent of the total building permit fees or, if the applicant chooses to pay an hourly rate instead of purchasing a permit, one percent of the total hourly charges collected in connection with the construction of, or addition or alteration to, buildings and equipment or appurtenances. Up to one-half of the surcharge collected under this subsection may be used to fund the activities described in ORS 455.042 and

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455.046. The remainder of the surcharge collected under this subsection shall be used for the purpose of defraying the costs of training and other educational programs administered by the Department of Consumer and Business Services under this chapter.

(2) Permit surcharges shall be collected by each municipality and remitted to the Director of the Department of Consumer and Business Services. Each municipality having a population greater than 40,000 shall, on a monthly basis, prepare and submit to the director a report of permits and certificates issued in each class or category and fees and surcharges thereon collected during the month, together with other statistical information as required by the director concerning construction activity regulated by the parts of the state building code administered by the municipality. All other municipalities shall submit a report described in this subsection on a quarterly basis. The report shall be in a form prescribed by the director and shall be submitted, together with a remittance covering the surcharges collected, by no later than the 15th day following the month or quarter in which the surcharges are collected.

(3)(a) All surcharges and other fees prescribed by ORS 455.010 to 455.240 and 455.410 to 455.740 and payable to the department, except fees received under ORS 455.148 [(6)] (7) or 455.150 (6), shall be deposited by the director in the Consumer and Business Services Fund created by ORS 705.145.

- (b) Notwithstanding subsection (1) of this section, the surcharge imposed under subsection (1) of this section for permits established under ORS 446.062 (3), 446.176, 446.405 (2), 446.430 (2) and 455.170 (2) shall be deposited in the Consumer and Business Services Fund established under ORS 705.145 and is continuously appropriated to the department for use as provided in ORS 446.423.
- (4) The director shall administer training and other education programs under this chapter through contracts with local educational institutions, professional associations or other training providers.

SECTION 7. The amendments to ORS 455.148, 455.150 and 455.152 by sections 1 to 3 of this 2007 Act apply to building programs for which the Director of the Department of Consumer and Business Services receives notification of program assumption from the municipality on or after January 2, 2008.