

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2978 - A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

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

Prepared by: Matt Stayner
Reviewed by: Susie Jordan, Steve Bender
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Measure Description:

Sets out uniform provisions for certain aspects of state building code administration and enforcement.

Government Unit(s) Affected:

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

Summary of Expenditure Impact:

Please see analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The fiscal impact of the measure is indeterminate because the bill allows the Department of Consumer and Business Services broad additional powers to administer, investigate violations of, and seek judicial resolution to violations of the state building code and construction licensing statutes. The application of this expanded authority, and the subsequent cost to do so, is unknown.

DCBS

The measure allows for DCBS to set aside existing statute related to the establishment and use of fees for building permits and inspections allowing DCBS to charge “investigative fee and increased plan review fees” (penalty fees) in addition to any other sanction or penalty allowed by law, but the penalty fees must not total more than twice the normal fees. DCBS reports that these fees are currently being used under local governmental authority. The bill allows for consistent application of the fees, but the degree by which the imposition of the fees would be generally applied by the department is unknown.

The bill greatly expands DCBS’s standing to bring suit. The number of future violations that may result in civil actions is unknown but could result in both direct costs and increased legal fees for the department. The measure also generalizes the use of civil penalties, giving the department authority to issue civil penalties due to violations of the “state building code” generally, as opposed to violations of individual statutes. Whether this will result in a greater number of civil penalties being assessed is unknown.

Oregon Judicial Department

The bill authorizes DCBS to file suit in circuit court to enjoin acts and enforce compliance for any violation of the state building code or related statutes. OJD believes that this new enforcement mechanism will increase the number of cases filed in circuit court. OJD estimates that the potential range for new cases is between 20 and 200 each year with a cost per case for court operations in a civil proceeding estimated at roughly \$357.

The measure expands the list of prohibited actions that can result in suspension or revocation of a contractor’s license. Should a contractor have a license suspended or revoked, they may appeal the case to the Court of Appeals. The number of new cases that would be filed is unknown, but OJD estimates a potential of 5 to 10 new cases per year with a cost of \$1070 per review.