

Testimony in Opposition to Senate Bill 133
Senate Business and Transportation Committee
February 9, 2015



Good afternoon Chair Beyer and Members of the Committee:

The Oregon Building Officials Association (OBOA) represents more than 1,000 building officials and personnel throughout the state. Its members include a wide range of building officials, both in large, metropolitan cities and counties, as well as small, rural jurisdictions.

As you know, Oregon has statewide a building code, adopted by the State Building Codes Division, which establishes uniform safety and energy standards for all residential and commercial buildings throughout the state.

In most jurisdictions, the statewide code is administered and enforced by local city or county building departments. In jurisdictions where neither a city, nor a county assume these responsibilities, the State Building Codes Division must do so.

In 2007, the legislature passed HB 2405, enabling the Department of Consumer and Business Services (DCBS) to develop and implement an electronic building permit system on a pilot program basis (to sunset in 2018).

The current e-permitting system is used by, and provides value to, many OBOA members—primarily smaller, rural jurisdictions. For these jurisdictions that choose to use it, OBOA supports continuation of the current program. The OBOA has concerns, however, about the expansion of, and other changes to, the program as proposed in SB 133. It is because of these concerns that OBOA opposes SB 133 as currently drafted.

Senate Bill 133 makes three changes to the e-permitting statute. It would:

1. Remove the 2018 sunset date
2. Expand the program beyond building codes to include all “construction-related services,” and
3. Lock into statute a 4% surcharge on building permits.

Specifically, OBOA has questions and concerns about the expansion of the program, locking a 4% surcharge into statute and about changing the law to allow building permit surcharges to support activities unrelated to building permits.

Expanding the program: Under current law, ORS 455.095, DCBS’s e-permitting system is limited to building code information and services. Senate Bill 133 broadens the use of the e-permitting system to include any “construction-related services.” This term is much broader than building codes information and services.

We would like to see a definition about the types of services intended to be included, so OBOA members can understand the scope and potential impact on their operations.

Permit surcharges: The State imposes a variety of surcharges totaling 12% on all building permits. This 12% includes a 4% surcharge to fund the e-permitting system. The OBOA's members collect these surcharges at the counter from customers every day. They must field questions from their customers and defend the various State surcharges and the activities they fund.

Under current law, funds derived from the surcharges must be used *solely* to support the State's administration and enforcement of the building code. If SB 133 passes in its current form, services will be expanded beyond building codes to include all construction-related services. How will these services be funded? Under SB 133, would State building code surcharges be used to fund those other services as well? If so, is that an appropriate use of the funds?

Enhancing economic development is a major consideration for local building departments. They work diligently to keep *their* permit fees down, so as not to inhibit growth and expansion in their local communities. They have concerns about locking a 4% e-permitting surcharge into statute, particularly without information about how much is collected via the surcharge in comparison to the expenses of operating the system.

Again, OBOA supports the extension of the current e-permitting program for those jurisdictions that choose to use it. We would like to work with you and the proponents of the bill to resolve these other issues.

Thank you for your time and consideration of OBOA's concerns.