

**FISCAL IMPACT OF PROPOSED LEGISLATION**

79th Oregon Legislative Assembly – 2017 Regular Session  
Legislative Fiscal Office

**Measure: HB 2737 - 2**

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

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Date: 4/15/2017

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**Measure Description:**

Requires Director of Department of Consumer and Business Services to establish special construction standards for homes that have floor area of not more than 250 square feet.

**Government Unit(s) Affected:**

Department of Consumer and Business Services (DCBS)

**Summary of Expenditure Impact:**

See Analysis.

**Analysis:**

The bill requires the Department of Consumer and Business Services (DCBS) to establish special construction standards for homes that have a floor area of not more than 400 square feet in size. The bill contains a substantial list of specific provisions for inclusion in the standards. It requires adoption of the standards by January 1, 2018. It also requires DCBS to collect data on the use of small homes and submit a report to the Legislature in 2022.

The statutory building code adoption process, which generally takes between 12 and 18 months, requires an opportunity for public input, and gives the statutory boards and code committees power to review codes for safety and fiscal impacts.

The residential code currently set for October adoption uses the 2015 International Residential Code (IRC) as its baseline model code. The 2015 IRC is the most current available IRC. The bill requires use of the 2018 IRC. The 2018 IRC only exists in draft form and is not yet printed and available to the division. When it becomes available (currently the approximate release date is fall of 2017), DCBS is unsure how it would move through the code adoption process codified in current law, including public proposals, code committee, board review, and the 49+ day rule adoption process, between fall, 2017 and January, 2018.

The bill also requires DCBS to report to an interim committee of the Legislative Assembly by September 15, 2022 “regarding the use of the specialty code amendments” required by the bill, as well as recommendations for changes, continuation, or termination of the small home provisions in the bill. The involvement of building code officials in construction of a building generally starts when plans are submitted for review, and ends when a certificate of occupancy is issued. How a building is used after it is built is not something currently within the scope of the Building Codes Division (BCD) at DCBS. It is unclear how BCD would be able to collect the necessary data on the use of small homes and impact of these code provisions. BCD would likely have to contract out for the resources necessary to meet this requirement.

The fiscal impact of this bill to DCBS is indeterminate. DCBS does not believe they can legally meet the timeframe set out in the bill for code adoptions; and it does not have sufficient information to determine the cost of reporting to the Legislative Assembly in 2022 because the work requested is not work they normally perform and it is not known how many small homes will be in use at that time.