



**City of Portland, Oregon**  
**Bureau of Development Services**  
**Office of the Director**  
**FROM CONCEPT TO CONSTRUCTION**

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February 15, 2017

Representative Paul Holvey, Chair  
House Committee on Business and Labor  
900 Court Street, NE, Hearing Room E  
Salem, OR 97301

Re: HB 2164

Dear Chair Holvey and Members of the Committee:

Thank you for the opportunity to provide comments on HB 2164, which would require municipalities that administer and enforce building inspection programs to provide electronic access to building code information and related services by 2020. The proposed legislation allows municipalities to either use the State's electronic permitting system or to develop their own.

First, we would like to assure the Committee that the City of Portland, through its Bureau of Development Services, is committed to the technology objectives outlined in this proposed legislation and has a project underway to provide the following online services: permitting and case management; plan review and inspection services; mobile inspections; and payment for building permits and development review services, such as land use and public infrastructure agency reviews. However, we have serious concerns with the proposed legislation and respectfully request that you oppose HB 2164 for the following reasons:

**Issues with Using the State's Electronic Permitting System**

- When the City of Portland initially started its IT project, we reviewed the State's system. We determined that their system would not meet our needs because the State system only has the capacity to process simple permits, with no ability to integrate the State Building Codes and local code requirements or process additional reviews, such as land use, water, sewer, transportation, etc. The standard software modules in the State's system are not sufficient to process complex projects or accommodate each municipality's unique needs. The software, without major modifications, is not an appropriate platform for the high volume and complexity of permits that Portland processes and integrates with other local regulations and reviews.
- BDS is already in the process of developing a system that will provide all of the online services listed in ORS 455.095, including payment of fees. In fact, we already process 75% of the approximately 42,000 annual trade permits (plumbing, mechanical and electrical permits) online for simple permits that don't require plan review. Inspections of all of these online permits can now be scheduled online, and the applicant can add to the work of the original permit online. Our online site automatically verifies contractor

licensing and issues the permit as soon as the payment is processed. We are currently piloting an online building plan review system, which includes some mechanical and plumbing plan review. Our inspection results (pass/fail) are currently available online, typically the next day after the inspection.

- The January 1, 2020 deadline for municipalities to either join the State system or develop their own is not practical.
- The rulemaking provisions in HB 2164 are problematic for several reasons. First, such rules would create uncertainty for local jurisdictions because the rules could add new system requirements that each jurisdiction would then have to incorporate into their respective programs. Any new requirements would actually extend the time to finalize, test and go live with a system and create additional costs, with no associated benefit.
- HB 2164 is unnecessary because the intent is to have applicants provide electronic permitting services. The current language in ORS 455.095 outlines the services that should be provided and does not need to be amended to require local jurisdictions to use the State's system or develop their own. Portland, like other jurisdictions in Oregon, either already have or are currently working on systems that will provide all of the services listed in ORS 455.095.
- Requiring municipalities to use the State's system raise the following issues: centralizing the development, maintenance and administration of a State-wide system will limit local control, local development preferences and create bottle necks to addressing functionality issues; it is not clear that the State's system has the ability to process online payments that are financially discreet and Payment Card Industry (PCI) compliant for large jurisdictions; there are numerous technical uncertainties with the State's software that make it impractical to expect medium or larger jurisdictions to get onto the State's system.

Though the City of Portland is committed to the underlying technology objective of this legislation, we respectfully urge you not to move HB 2164 forward. Thank you for your consideration of these comments.

Sincerely,



Paul L. Scarlett, Director  
Bureau of Development Services