

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4086

79th Oregon Legislative Assembly – 2018 Regular Session
Legislative Fiscal Office

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

Prepared by: Meg Bushman-Reinhold
Reviewed by: Matt Stayner, Ken Rocco
Date: 2/15/2018

Measure Description:

Removes requirement that building inspector for municipality be employee of municipality.

Government Unit(s) Affected:

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

Summary of Expenditure Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

Cities and counties may choose to operate a building inspection program. Building inspection programs are supported by the fees charged for the inspections. Cities that choose not to have a building inspection program use the building inspection services of their county, if that county has a building inspection program. If the county does not have a building inspection program, the state does the inspections.

HB 4086 requires that municipal building officials be directly employed by municipalities or associations of municipalities. It also removes the requirement that building inspectors for municipalities be employees of the municipality.

About 25 cities in Oregon with building inspection programs contract with private entities for the services, including building official services, which include adjudicating disputes regarding inspections. Legislative counsel has determined that because the building official acts on behalf of the city, building official duties should not be delegated to a private contractor. The building official should be a city employee.

The 25 affected municipalities may choose to employ the additional personnel, or associate with other municipalities to do so, or they may relinquish their program to their county government or the state, as appropriate. These local government entities would experience a fiscal impact with any of these changes, but fees charged for inspections are anticipated to cover the costs incurred. The Department of Consumer and Business Services (DCBS) will need to write rules reflecting the change in statute, but the agency anticipates the cost of rulemaking to be minimal. Should a local program default to the state, or should any affected municipalities require assistance in transitioning to the requirements of the bill through the provisioning of a building official and/or inspection services by DCBS, the agency may require additional budgetary resources including expenditure authority and position authority. Due to the unknown number of programs that may need assistance from, or operation by, DCBS, the fiscal impact is indeterminate.