

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2415 - 1**

81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office

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

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**Measure Description:**

Requires the Department of Consumer and Business Services to adopt rules to establish minimum standards and statewide consistency in electronic processes for reviewing plans, issuing permits, and performing field inspections.

**Government Unit(s) Affected:**

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

**Summary of Fiscal Impact:**

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

**Analysis:**

House Bill 2415, as amended by the -1 amendments, would require the Department of Consumer and Business Services (DCBS) to adopt rules to establish minimum standards and statewide consistency in electronic processes for reviewing plans, issuing permits, and performing field inspections. DCBS would be required to make its system providing electronic access to building codes information accessible for use by municipalities in carrying out the building inspection programs that the municipalities administer and enforce. DCBS would also be required to make the system available for use by other public bodies that provide construction-related services. The information and services provided through the DCBS system must include electronic submission or and payment for permit applications; electronic receipt of plan approvals and permits; receiving requests for and scheduling inspections, tracking of corrections and granting of approvals; and performance of electronic field inspections, construction progress inspections and on-site verification of compliance with building codes requirements. It would require any municipality that administers and enforces a building inspection program to use the DCBS electronic system for access to building codes information, or to use a system that is equivalent to the DCBS system, and to meet the minimum standards DCBS adopts by rule, whether the municipality uses its own system or the DCBS system. Prior to the measure’s operative date, the Director of DCBS may take any action necessary to enable the director to implement the measure’s substantive provisions. The measure would take effect 91 days after adjournment *sine die* and would become operative on January 1, 2025.

**Department of Consumer and Business Services**

The DCBS Building Codes Division (BCD or the division) would engage in rulemaking and the potential expansion of electronic field inspections in its electronic system to implement the measure. To complete this rulemaking, BCD would form a rulemaking advisory committee to adopt rules to establish minimum standards and statewide consistency in electronic processes for reviewing plans, issuing permits, and performing field inspections. The measure does not define “electronic field inspections,” so the term would be defined through the BCD rulemaking process.

The measure would also require DCBS to permit and assist municipalities that administer and enforce building inspection programs and grant them access to its electronic building codes system. The division already permits this access and assists municipalities with this access. The division also already has an electronic system that includes nearly every feature outlined in the measure. The only feature BCD would need to add to its electronic system would be remote video inspections, which BCD has been planning to add to the system independent of

the measure. The changes relating to municipalities, requiring them to develop their own equivalent system or to use the DCBS system, would not require any implementation by BCD.

Overall, the measure would have a minimal fiscal impact on BCD.

### **Municipalities (Cities and Counties)**

The measure would require every municipality to meet new minimum standards regardless of whether the municipality uses the DCBS system or an equivalent local system. Thus, if a municipality's current system fails to meet the new minimum standards, the municipality would have to upgrade to a new system, which would require staff time and resources to procure a new system. For those cities and counties that already have a system in place that meets or exceeds the state's system, there would be no fiscal outlay to implement the measure. And for those cities and counties that have a system in place that needs to be upgraded to comply with the measure, any such upgrades could likely be implemented at minimal expense. However, for cities and counties that do not currently have an equivalent system in place, they would need to either develop their own system or adopt the DCBS system, the latter of which is funded by a surcharge on building permits. Cities and counties needing develop such an electronic system would incur some expenses to procure, develop, and integrate such a system, but the exact fiscal impact would depend on the needs of each county or city. And while integration of such an electronic system may enable some cost-savings, they would likely be offset by additional training and education that city and county government staff would receive in order to use the electronic system.

While an exact number is unclear, several cities and counties have implemented some form of electronic system in recent years, according to the League of Oregon Cities. For cities and counties needing to upgrade their systems, the measure would likely pose a minimal fiscal impact. For cities and counties that do not currently have an electronic system in place, the measure might pose a significant fiscal impact, depending on their specific needs.

It is presently unclear how many cities' and counties' electronic systems satisfy the standards outlined in the measure; how many cities and counties would need to upgrade their systems; and how many cities and counties have no system at all, thus requiring them to develop one. It also unclear when cities and counties needing to upgrade or develop such an electronic system would begin to do so, since the measure does not become operative until January 1, 2025. Since cities and counties are not required to comply with the measure until January 1, 2025, it is conceivable that they would not incur any costs until shortly before 2025.

Given these uncertainties, it is unclear how much a fiscal impact cities and counties would incur. For that reason, the fiscal impact is indeterminate.