

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4086 - 6

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

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

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Measure Description:

Requires that municipal building officials be directly employed by municipalities or associations of municipalities.

Government Unit(s) Affected:

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

Summary of Expenditure Impact:

Costs related to the measure are anticipated to be minimal - 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.

This bill requires that municipal building officials be directly employed by municipalities or associations of municipalities and that the head building inspector, which can also be the building official, be employed by the municipality. This bill also removes the requirement that a specialized building inspector be employed by a municipality in order to use their specialized certification.

About 23 cities and two counties in Oregon have building inspection programs operated through contracts with private entities. Under these contracts, the private entities act on behalf of the municipality as building officials and adjudicate 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.

With passage of this bill, 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. Local governments currently contracting out their building inspection programs who choose to continue operating a building inspection program would experience a fiscal impact, but fees charged for inspections are anticipated to cover the costs incurred. Should a local program default to the state, or should any affected municipalities require assistance from DCBS in transitioning to the requirements of the bill through the provisioning of a building official and/or inspection service, DCBS may require additional budgetary resources including expenditure authority and position authority. DCBS expects any potential fiscal impact to be minimal, but due to the unknown number of programs that may need assistance from, or operation by, DCBS, the fiscal impact is indeterminate.