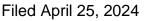
Notice of Rulemaking Hearing



Department of Consumer and Business Services

Building

Codes Division

2023 Oregon Residential Reach Code

Opportunity for public input

A rulemaking hearing is scheduled to receive public testimony regarding the proposed rules for adopting the 2023 Oregon Residential Reach Code.

Hearing date:	May 21, 2024
Time:	10:30 a.m.
Location:	This will be a hybrid meeting, open to the public both in-person and virtually.

In-person hearing BCD Conference Room A 1535 Edgewater St. NW Salem, Oregon 97304

Virtual connection

This hearing will be hosted virtually through Zoom. The connection information will be posted on the <u>View live</u> <u>meetings</u> webpage.

Live streaming: <u>View live meetings</u>

Comments and testimony: The division accepts written and oral testimony from the public.

Written comments/testimony may be submitted by email to <u>RulesCoordinator.bcd@dcbs.oregon.gov</u>, or to the mailing address below no later than **May 24, 2024 at 5 p.m.**

If you wish to provide oral comments/testimony at the hearing you may do so in person or virtually. Email <u>RulesCoordinator.bcd@dcbs.oregon.gov</u> to sign up in advance. Please include your name, email address, and organization, and whether you will be attending in-person or virtually.

Purpose of the rules: These rules adopt the 2023 Oregon Residential Reach Code, which is a set of optional, above-code construction standards and methods designed to increase energy efficiency of structures regulated by the Oregon Residential Specialty Code (ORSC). Local municipalities are required to accept and inspect structures built to the standards in the Oregon Residential Reach Code.

Citation

Adopts: OAR 918-465-0050 The anticipated effective date is July 1, 2024.

History: The base code for the residential reach code is the ORSC. The process for adopting the Oregon Residential Reach Code is established in rule at OAR 918-465-0040 and begins after the adoption of a new edition of the ORSC. The 2023 ORSC became effective on Oct. 1, 2023, and the residential reach code adoption process began with a public proposal period from Oct. 16 through Dec. 18, 2023, during which the division accepted proposed code provisions for inclusion in the reach code. A rulemaking advisory committee (RAC) met on Jan. 30, 2024, and reviewed seven possible compliance paths from the division and the public. The division completed an internal review of the RAC testimony and all public proposals. The proposals were reviewed for intent to align with EO 20-04 and HB 3409 (2023), future codes, and housing affordability directives from the Governor's office and the Residential and Manufactured Housing Board. The division determined that seven code paths would be too complex for the Oregon Residential Reach Code and that simplification would allow builders to focus on paths that align with incentives available statewide, encouraging expanded use of the reach code, beyond the handful of structures built to prior editions. The final proposed 2023 Oregon Residential Reach Code contains three simplified performance paths, all based on three nationally recognized certification systems which build upon each other. This proposal for the 2023 Oregon Residential Reach Code was approved by the Residential and Manufactured Structures Board on April 3, 2024.

Contact: If you have questions or need further information, contact the Mechanical and Energy Code Engineer, Mark Heizer, at <u>mark.r.heizer@dcbs.oregon.gov</u>.

Building Codes Division ♦ Department of Consumer and Business Services ♦ State of Oregon 1535 Edgewater St. NW, Salem, OR 97304 ♦ P.O. Box 14470, Salem, OR 97309-0404 503-378-4133 ♦ Fax: 503-378-2322 ♦ oregon.gov/bcd



OFFICE OF THE SECRETARY OF STATE LAVONNE GRIFFIN-VALADE SECRETARY OF STATE

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ARCHIVES DIVISION STEPHANIE CLARK DIRECTOR

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NOTICE OF PROPOSED RULEMAKING INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 918 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES BUILDING CODES DIVISION

FILING CAPTION: Adopts the 2023 Oregon Residential Reach Code

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 05/24/2024 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

CONTACT: Andy Boulton 971-375-7027 andrew.boulton@dcbs.oregon.gov 1535 Edgewater St NW Salem,OR 97306

Filed By: Andrew Boulton Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 05/21/2024 TIME: 10:30 AM OFFICER: Staff

IN-PERSON HEARING DETAILS

ADDRESS: Building Codes Division, Conference Room A, 1535 Edgewater St NW, Salem, OR 97306 SPECIAL INSTRUCTIONS:

This will be a hybrid meeting, open to the public both in-person and virtually. The hearing will also be live-streamed at https://www.oregon.gov/bcd/Pages/bcd-video.aspx, where the virtual connection information will be posted on the day of the hearing.

NEED FOR THE RULE(S)

The residential reach code is a statewide optional above-code pathway for builders, consumers, contractors, and others to use for the design and construction of structures regulated by the ORSC. Local municipalities must allow for the use of the residential reach code. House Bill 3409 (2023), codified as Oregon Laws chapter 442 section 6 states that the reach code must be adopted by rule with the approval of the appropriate advisory board(s). Generally, the division adopts a new version of the reach code following the adoption of the specialty code that the reach code is based on. The base code for the residential reach code is the ORSC and the division has established through rule that once a new version of the ORSC is forwarded to the administrator by the appropriate board, the process for adopting an updated residential reach code begins.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Draft rules and copies of public proposals are available from the division's rules coordinator located at 1535 Edgewater Street NW, Salem, OR 97304 and are posted on the division's Web site at: http://www.oregon.gov/bcd/laws-



ARCHIVES DIVISION

SECRETARY OF STATE

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The division does not anticipate a direct impact on racial equity in the state as a result of adopting the 2023 Oregon Residential Reach Code. The reach code is intended to provide an approved above code pathway to build residential buildings to a higher standard of energy efficiency. The reach code is intended to align with some currently existing federal, state, and local incentive programs that may help offset the costs of building to the reach code. Offsetting the costs of building to the reach code, may result in a better utilization of the reach code, across the state including traditionally underserved areas. The division invites public feedback on this issue during the hearing and public comment period.

FISCAL AND ECONOMIC IMPACT:

The 2023 Oregon Residential Reach Code is an optional code compliance path for builders seeking to exceed the minimum energy efficiency requirements of the 2023 Oregon Residential Specialty Code. The division has determined that the residential provisions of the 2023 Oregon Residential Reach Code adopted by the proposed rules may have a minimal fiscal and economic impact. There may be a small impact to local building departments because they will need to be familiar with applying the standards in the residential reach code.

This proposed rulemaking does not add cost to the mandatory minimum residential construction provisions. The reach code is not required but if a builder opts to build to the residential reach code provisions, the net additional cost could approach \$3,000-\$4,000 above current practices for the average home, while some builders may achieve a net cost reduction due to site specific factors and the availability of incentive programs. Extra attic insulation, interior ducts, heat pump water heater, efficient ventilation, and the cost of HERs design rating and testing are some examples of additional construction that would add to the overall increase in fiscal impact. The actual cost or savings for a specific project will be dependent on the design choices of the project. Current construction practices and total incentives determine the final cost impact of using the ORRC. Additionally, building to the reach code may qualify a project for additional incentives that are offered by federal, state, and local programs that could provide an additional cost offset.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

Statement of cost of compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The 2023 Oregon Residential Reach Code is an optional code compliance path. There may be a minor impact on local building departments who will need to be aware of the 2023 Oregon Residential Reach Code. Any impact to the general public, including building owners, developers, and contractors, will be related to the choice to use the residential reach code.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:

The 2023 Oregon Residential Reach Code is an optional code compliance path. With no mandatory compliance requirement, no small business will be subject to its provisions unless they choose to use the reach code. Small businesses that may opt to build to the code adopted under these rules include residential contractors, designers, architects, and others associated with the construction industry.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of

professional services:

The 2023 Oregon Residential Reach Code is an optional code compliance path. There are no reporting, recordkeeping, or administrative activities required by this rulemaking. Building to the reach code may qualify a builder or building owner for incentives offered by the federal, state, local, or non-governmental programs and those programs may have their own requirements for reporting, record keeping, etc.

c. Equipment, supplies, labor and increased administration required for compliance:

The 2023 Oregon Residential Reach Code is an optional code compliance path and as a result does not require any additional equipment, supplies, labor, or administration for compliance. It is possible there may be some investment required if a builder or building owner intends to build to the reach code. There are some cases where the cost of new construction methods and administration could be offset by tax credits and incentives.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses are represented on the Residential and Manufactured Structures Board, who reviewed and approved the 2023 Oregon Residential Reach Code.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

HOUSING IMPACT STATEMENT:

No known housing impact.

ADOPT: 918-465-0050

RULE SUMMARY: This rule adopts the 2023 Oregon Residential Reach Code, which is a set of statewide optional construction standards and methods designed to increase energy efficiency of structures regulated by the Oregon Residential Specialty Code (ORSC). Local municipalities must allow for the use of the residential reach code.

CHANGES TO RULE:

918-465-0050

Adopted Oregon Residential Reach Code

(1) Effective July 1, 2024, The 2023 Oregon Residential Reach Code is adopted pursuant to OAR 918-465-0040.¶ (2) The provisions of the 2023 Oregon Residential Reach Code consist of the provisions published by the division and are available on the division's website.¶

(3) The provisions of the 2023 Oregon Residential Reach Code may be used in place of Chapter 11 of the 2023 Oregon Residential Specialty Code.

<u>Statutory/Other Authority: ORS 455.020, ORS 455.030, ORS 455.110, ORS 455.496, ORS 455.500</u> <u>Statutes/Other Implemented: ORS 455.110, ORS 455.500</u>