



Department of Consumer
and Business Services

Notice of Rulemaking Hearing

Filed April 25, 2024

Statewide Mechanical Minor Label Inspection Program Implementation

Opportunity for public input

A rulemaking hearing is scheduled to receive public testimony regarding the proposed rules to expand the scope of the mechanical minor label inspection program under OAR 918-440-0520 to a statewide program.

Hearing date: May 21, 2024

Time: 9:30 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 [View live meetings](#) webpage.

Live streaming: [View live meetings](#)

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

Written comments/testimony may be submitted by email to RulesCoordinator.bcd@dcbs.oregon.gov, 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 RulesCoordinator.bcd@dcbs.oregon.gov 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 expand the scope of the mechanical minor label inspection program under OAR 918-440-0520 to allow the program to go statewide.

Citation

Amends: OAR 918-440-0520

The anticipated effective date is July 1, 2024.

History: Minor labels allow for some minor work to be completed and inspected using an alternative process to the normal permitting process. Several specialty codes have a minor label program. Starting in October of 2020, the division piloted a mechanical minor label permitting program in select jurisdictions. Afterward, the division adopted OAR 918-440-0520, which created the Mechanical Minor Labels Phased Program. This program went into effect on Oct. 1, 2021. The rule extended the mechanical minor label inspection program in the following jurisdictions: Coos, Deschutes, Jackson, Linn, and Marion Counties; the cities of Albany, Central Point, Medford, and Salem. Under this program, contractors in participating jurisdictions were able to purchase mechanical minor labels to cover certain minor repairs and installations covered by the Oregon Mechanical Specialty Code and the mechanical provisions of the Oregon Residential Specialty Code. The purpose of this amendment to the rule is to extend the program statewide. A rulemaking advisory committee was held on March 26, 2024, which welcomed feedback and discussion on proposed rule change.

Contact: If you have questions or need further information, contact the Mechanical and Energy Code Engineer, Mark Heizer, at mark.r.heizer@dcbs.oregon.gov, or the Field/Statewide Services Manager, Warren Jackson, at warren.d.jackson@dcbs.oregon.gov.



OFFICE OF THE SECRETARY OF STATE

LAVONNE GRIFFIN-VALADE
SECRETARY OF STATE

CHERYL MYERS
DEPUTY SECRETARY OF STATE
AND TRIBAL LIAISON



ARCHIVES DIVISION

STEPHANIE CLARK
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
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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

FILED

04/25/2024 11:20 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Amends the mechanical minor label inspection program to allow for statewide implementation

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: 9:30 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)

Minor labels allow for some minor work to be completed and inspected using an alternative process to the normal permitting process. Several specialty codes have a minor label program. Starting in October of 2020, the division piloted a mechanical minor label permitting program in select jurisdictions. Afterward, the division adopted OAR 918-440-0520, which created the Mechanical Minor Labels Phased Program. This program went into effect on Oct. 1, 2021. The rule extended the mechanical minor label inspection program in the following jurisdictions: Coos, Deschutes, Jackson, Linn, and Marion Counties; the cities of Albany, Central Point, Medford, and Salem. Under this program, contractors in participating jurisdictions were able to purchase mechanical minor labels to cover certain minor repairs and installations covered by the Oregon Mechanical Specialty Code and the mechanical provisions of the Oregon Residential Specialty Code. The purpose of the update to the rule is to extend the program statewide. A rulemaking advisory committee was held on March 26, 2024, which welcomed feedback and discussion on proposed rule change.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Draft rules 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-rules/Pages/proposed-rules.aspx>.

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

There is no intended racial component to the applicability of the new rule and the division is not able to identify any racial equity impacts of this rule, but invites public feedback on this issue during the hearing and public comment period.

FISCAL AND ECONOMIC IMPACT:

The division cannot calculate the precise fiscal and economic impact because it is dependent on the extent the program is utilized. Ultimately the division anticipates that the program will allow for more efficient inspection and approval of minor mechanical work statewide. Minor labels are less expensive than traditional permits, so there should be a fiscal savings for businesses using a minor label instead of a traditional permit for a mechanical installation.

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 division anticipates that the impact statewide will increase the efficiency of participating building departments. Some work that previously would have required a permit may now be performed under a minor label. Impact on the division will be minimal as the system utilized to maintain the program is already being used by the division.

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 division anticipates the number of small businesses who use the mechanical minor label system growing as the program expands statewide. The program is voluntary, a contractor can still purchase a mechanical permit for the work. Minor labels are a cheaper alternative to a permit and the division anticipates increased use of the minor label program as contractors become familiar with it. The number of businesses that could potentially participate is the total number of licensed mechanical contractors statewide. There may be some additional staff training or administrative costs to begin using the minor label program, but overall the division does not anticipate a cost increase when the cheaper costs of the minor label compared to a permit are considered.

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

There may be some additional recordkeeping and other administrative activities required for a small business to track purchased minor labels and to submit used minor labels into the state system. Costs will vary depending on how an individual contractor uses the system.

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

Use of the minor label program is voluntary. Electronic equipment with internet access is required to use the minor label program. The division does not anticipate this as a substantial impact as most, if not all contractors, will already have the necessary equipment.

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

Small businesses were represented on the Mechanical Board which was consulted in developing the original, phased mechanical minor label pilot program. Additionally, small businesses receive our notifications of the public advisory board meetings, and public rule hearings.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

HOUSING IMPACT STATEMENT:

No known housing impact.

AMEND: 918-440-0520

RULE SUMMARY: These rules expand the scope of the phased mechanical minor label inspection program under OAR 918-440-0520 to allow the program to go statewide.

CHANGES TO RULE:

918-440-0520

~~Phased~~Statewide Mechanical Minor Label Inspection Program

(1) The statewide mechanical minor label inspection program ~~goes in addition to any local jurisdiction minor label program authorized by OAR 918-100-0020(2) to effect on July 1, 2024.~~ This program does not supersede, replace, or modify a local jurisdiction's mechanical minor label program in any way.¶

(2) Minor labels issued under this rule will be administered by using the definitions in OAR 918-100-0010, the fees in 918-100-0030, and the process described in section (132) of this rule.¶

(3) The scope of work allowed under this program does not include any new construction except as allowed under subsection (d), (e), and (f) of this section. The scope of work allowed under this program is limited to the following:¶

(a) Moving or replacing ductwork not involving fire dampers or penetrations of firewalls, fire assemblies or floors;¶

(b) Relocating grilles and air distribution inlets or outlets;¶

(c) Replacing existing heating, cooling, and ventilation equipment, including minor alterations of fuel piping or appliance connectors downstream of an appliance shutoff valve;¶

(d) Adding a central air conditioning unit to existing ductwork in one- and two-family dwellings;¶

(e) Installing new mini-split heat pumps in one- and two-family dwellings; and¶

(f) Installing a mechanical exhaust fan for radon mitigation systems in one- and two-family dwellings.¶

(4) Minor mechanical installations do not include:¶

(a) Mechanical replacements where the fuel type changes;¶

(b) Replacement of fuel burning equipment which requires replacement of the existing venting system; or¶

(c) Replacement of commercial systems or equipment that:¶

(A) Exceeds 2,000 cubic feet per minute of air movement capability;¶

(B) Weighs more than 400 pounds, except packaged rooftop equipment up to 5-ton cooling capacity being replaced with packaged rooftop equipment not exceeding the existing unit's cooling capacity; or¶

(C) Exceeds 5-ton cooling capacity.¶

(5) Unused minor labels issued under this rule shall expire one year after they are purchased.¶

(6) Work performed under the mechanical minor label program shall be to the current Oregon Mechanical Specialty Code or the current Oregon Residential Specialty Code, as applicable.¶

(7) Only one mechanical minor label shall be used on any single project per job site. For the purpose of this rule, a job site means work at the same address.¶

(8) A minor label is only required when the work otherwise requires a permit. No new permit requirements are created by this rule.¶

(9) The following people may purchase and use state mechanical minor labels ~~in participating jurisdictions:~~¶

(a) For commercial and industrial mechanical minor labels, the contractor doing the work, who holds a Construction Contractors Board license.¶

(b) For residential mechanical minor labels, a contractor licensed by the Construction Contractors Board.¶

(10) A contractor performing work under a minor label must still comply with all applicable licensing requirements for the work performed.¶

(11) The following local jurisdictions are participating in the mechanical minor label inspection program:¶¶

- (a) City of Albany;¶¶
- (b) City of Central Point;¶¶
- (c) City of Medford;¶¶
- (d) City of Salem;¶¶
- (e) Coos County;¶¶
- (f) Deschutes County;¶¶
- (g) Jackson County;¶¶
- (h) Linn County;¶¶
- (i) Marion County; and¶¶
- (j) Umatilla County.¶¶

(12) A person performing work under a minor label may elect to have this work inspected virtually. To have the work inspected virtually, the work must be documented with images, and those images must be uploaded to the division's mechanical minor label software system.¶¶

(13) The local jurisdiction where the minor label is used shall be the inspecting jurisdiction. If pictures of the work performed under the minor label have been uploaded to the division's mechanical minor label software system, then inspections shall be conducted remotely through that system. If pictures of the work performed under the minor label have not been uploaded, or if the uploaded pictures are insufficient to complete a virtual inspection, then inspections shall be conducted using the minor label process in OAR 918-100-0060.¶¶

(a) The division shall assign the initial inspection of a minor label lot to the local jurisdiction at the start of the calendar month. The local jurisdiction shall perform the assigned minor label inspection before the end of the calendar month in which the inspection was assigned. If the local jurisdiction fails to perform an assigned inspection within the calendar month that it was assigned, then the division shall perform the inspection.¶¶

(b) No less than 10 percent of each minor label lot shall be inspected either by the local jurisdiction or by the division. The inspection shall verify the minor installation.¶¶

(c) If any minor label inspections beyond the initial inspection in a lot are required, the additional inspections will be performed in accordance with OAR 918-100-0060.¶¶

(d) The division shall compensate each inspecting jurisdiction \$75 per inspection for the first minor label installation inspected by the local jurisdiction in a lot. If the first minor label installation fails the inspection, the division shall perform an inspection on a second minor label from the same lot. If the second minor label fails the division's inspection, then the division shall inspect a third minor label of the same lot.¶¶

(e) If any minor label fails an inspection, then the contractor that purchased the minor label is required to pay the local jurisdiction for an on-site inspection of the same work at the local jurisdiction's hourly inspection rate.¶¶

(f) The division shall, upon notice of three failed inspections in the same lot of labels, notify the contractor and the jurisdictions affected by the remaining labels in the same lot. Each jurisdiction shall then notify the contractor that a permit is necessary for each of the remaining installations within the jurisdiction in the same lot of labels, and work shall follow the normal permit and inspection procedures for that jurisdiction.

Statutory/Other Authority: ORS 455.046, ORS 455.154, ORS 455.155

Statutes/Other Implemented: ORS 455.046, ORS 455.154, ORS 455.155