

Building Codes Division 2025 Legislative Update

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The following is a brief summary of recently passed legislation which may be of interest to the board. These summaries are not a complete outline of the new law and the summary should not be relied upon for decision making. Please refer to the bill text for a complete description of the law change.

Bills Passed in the 2025 Session that may impact BCD Operations

HB 2258: Residential development and permit-ready plans

Creates new provisions, ORS chapter 197A.

Bill

Summary: House Bill 2258 directs the Land Conservation and Development Commission (LCDC) to adopt rules to require local governments to issue a land use decision to approve the development of specified residential development types on certain lots or parcels under specified conditions. The measure also would allow the Department of Consumer and Business Services (DCBS) to establish a process by which an applicant for a building permit for a specified residential structure may receive building construction plan approval from the municipality, specifically through: typical drawings and specifications created by the department under ORS 455.062; or, review of plans and specifications under ORS 455.685. The bill is effective on passage.

Plan: The division intends to coordinate as necessary with LCDC in its implementation of Section 2 of the bill.

The division has already established a process by rule for developing and publishing permit-ready plans (ORS 455.062), those rules can be found at OAR 918-001-0500 to 918-001-0530. The division is in the process of developing plans that can utilize the more efficient permit ready plan review process. Plans for residential decks were published earlier this year, plans for pole barns are expected soon, and the division intends to develop plans for a small footprint single family home in the next year. The division also intends to publish a process for reviewing submissions for master plans (ORS 455.685) before the end of the year.

HB 2658: Frontage improvement requirements

Creates new provisions, ORS 455.410 to 455.740.

Bill

Summary: House Bill 2658 adds a number of definitions to ORS 455.410-455.740, including “alteration,” “construction permit,” and “frontage improvement.” The bill

prohibits a municipality with a population of 15,000 or more from requiring frontage improvements as a condition of issuance of a construction permit. The bill includes exceptions to this rule based upon, among other things, the Americans with Disabilities Act, and alteration cost. The bill also requires the Department of Consumer and Business Services (DCBS) undertake rulemaking that makes these restrictions apply to any alteration that does not exceed \$150,000. The department is required to update these rules annually to amend this dollar value to reflect changes in the Consumer Price Index for All Urban Consumers, West Region (All Items). On January 1, 2031, the provisions are applied to all municipalities, not just those with a population greater than 15,000. The bill is effective January 1, 2026.

Plan: The division plans to undertake rulemaking, as required in the bill. The division may also be required to acquire professional expertise for some of the items that are contained within the bill but are not currently part of the existing building code, such as frontage, gutters, and other listed items. The division received one FTE supported by the general fund to implement and support this work.

HB 2688: Expanded requirements for prevailing wage projects

Creates new provisions; amends ORS 279C.800.

Bill

Summary:

ORS 279C.815 requires, annually, that the Commissioner of the Bureau of Labor and Industries (BOLI) determine the prevailing wage rate (PWR). The PWR is the hourly wage, including all fringe benefits, paid in a locality to the majority of workers employed in a specified trade or occupation. Contractors and subcontractors must pay the PWR to workers on certain public works projects. Public works projects are generally covered by the state's prevailing wage if the total project cost exceeds \$50,000.

House Bill 2688 expands the definition of public works for the purpose of PWR to include certain projects that previously might not have been impacted. Among other project types, the bill specifically includes work performed on any of the following systems or components:

- Mechanical systems such as heating, ventilation, air conditioning, refrigeration and other ducting or piping systems or components;
- Plumbing systems or components;
- Electrical systems or components of electrical systems that conform with the requirements of ORS 479.510 to 479.945 and the rules of the Electrical and Elevator Board;
- Boiler systems or components of boiler systems.

The bill is effective on the 91st day following adjournment *sine die*.

Plan: The division will facilitate any rulemaking the Electrical and Elevator Board determines is necessary to assist BOLI in making PWR determinations.

HB 3145: LIFT program funding

Creates new provisions, ORS 458.480 to 458.490.

Bill

Summary: HB 3145 would require the Oregon Housing and Community Services Department (OHCS) to use \$25 million from the Local Innovation and Fast Track (LIFT) Housing Program Fund to support the construction or acquisition of factory-produced housing for low-income households in up to five locations. It would also require the OHCS to contract with the Network for Oregon Affordable Housing (NOAH) to convene an advisory group to advise on project solicitation processes and criteria, based upon specifics in the bill. The bill requires BCD participate in that advisory committee. The bill is effective on the 91st day following adjournment *sine die*.

Plan: The division anticipates coordinating with OHCS to participate in the advisory committee.

HB 3505: System Development Charges for residential fire suppression systems

Amends ORS 223.301.

Bill

Summary: HB 3505 was championed by the Building Codes Division. System Development Charges (SDCs) are one-time fees charged on municipal development to help pay for existing and planned infrastructure to serve the development. The construction of any structure requires, among other things, a calculation to determine the anticipated impact on the water system in order to determine system development charges. The calculation is based on a variety of factors and varies by community. In some communities, the calculation is based on the size of the water meter.

Often, when a residential fire sprinkler system is installed in a home, a larger water meter is calculated as necessary. In some municipalities, because the size of the water meter for a home directly determines the cost of the water system development charges, the cost of residential fire sprinklers significantly increases the cost to build homes that include NFPA 13D fire sprinkler systems. This higher cost is unnecessary in situations where the sprinkler system is the only reason for the larger water meter.

HB 3505 prohibits municipalities from charging increased SDCs if the only reason for the increased SDC charge is the installation of NFPA 13D residential fire sprinklers or a larger water meter to serve those sprinklers. The bill is effective January 1, 2026.

Plan: The division is not required to take any action to implement this bill.

HB 3746: Condominium and other built structures construction liability

Creates new provisions; amends ORS 12.135, 94.662, 100.115, 100.210, 100.417, 100.490, 100.680, 701.570, 701.575, 701.580 and 701.585.

Bill

Summary: House Bill 3746 makes a number of changes to laws regarding condominium governance, operations, and the statute of repose for causes of action against a condominium builder, including:

- Requiring a special inspection for moisture intrusion by the end of the second year following substantial completion, and an inspection completed before the end of the sixth year.
- Requiring that the results from an independent inspection for moisture intrusion and the name of the person who performed the inspection be delivered at the turnover meeting.
- Removing the existing requirement for a majority of lot owners to approve initiating litigation, instead allowing a condominium board to move forward with initiating litigation.
- Altering the existing 60 day time limit for residents of a condo association to initiate litigation to 90 days, with specified notice requirements included.
- Altering the period to file a lawsuit over construction defects in common property to seven years, with an extra year allowed if the defect is discovered late in that period.

The bill specifies that the measure only applies to condominiums if the declaration for a planned community was filed after the effective date of the measure, and excludes condominiums for which each unit owner is responsible for their own maintenance, both interior and exterior. The measure sets out specifications for inspection timelines and requirements, and allows the owner of the condominium to choose the contractor, sub-contractor, or supplier responsible pay an amount equal to the cost of remediation instead of performing the remediation. The bill is effective January 1, 2026.

Plan: While House Bill 3746 represents a substantial policy shift in condominium construction liability, the portion of the bill that pertains to BCD is narrow. The bill would require that any “independent inspection for moisture intrusion and the name of the person who performed the inspection” be included in the materials delivered at the turnover meeting. These inspections occur outside of the scope of the BCD oversight and are a special inspection that sometimes is required in the course of a construction contract.

HB 3940: Wildfire protection and response

Creates new provisions; amends ORS 242.702, 291.055, 293.144, 293.148, 321.005, 321.011, 321.012, 321.015, 323.500, 323.505, 323.510, 323.515, 323.625, 477.001, 477.205, 477.230, 477.232, 477.270, 477.277, 477.281, 477.295, 477.440, 477.445, 477.450, 477.455, 477.460, 477.750, 477.755, 477.760, 477.770, 477.775, 477.777, 478.010, 478.120, 478.140 and 526.122 and section 20, chapter 592, Oregon Laws 2021; repeals ORS 476.310, 476.320, 476.330, 476.340, 477.415, 477.880, 477.960, 477.970 and 526.123.

Bill

Summary: Wildfire preparation has been a major policy topic in recent legislative sessions. Since 2021, BCD has administered the Wildfire Home Hardening Grant Program, which provides money to home and business owners to help pay for fire hardening of a home or business that was damaged or destroyed in certain wildfires since 2020.

HB 3940 is the most recent bill that seeks to address funding to combat the dangers of wildfire. The bill makes a number of changes to funding and programs related to wildfire mitigation and suppression, including:

- Establishing an oral nicotine products tax, with proceeds to be deposited in relevant wildfire reduction funds.
- Depositing certain portions of the Oregon Rainy Day Fund interest into specific funds.
- Raising the forest products harvest tax and tying it to the Consumer Price Index.
- Establishing the State Forestry Department Large Wildfire Fund.
- Defining centralized administrative costs.
- Adjusting the cost of protection for grazing land and tying it to the Consumer Price Index.
- Raising the minimum assessment and surcharge for improved lots or parcels and tying it to the Consumer Price Index.
- Adjusting membership and responsibilities for the emergency fire cost committee.
- Making adjustments to the Oregon Forest Land Protection Fund.
- Reclassifying lands classed as “zone 1 lands” to “class 3 lands”.
- Changing requirements for forestland within rural fire protection districts.
- Changing requirements for agencies to borrow funds from the State Treasury for fire suppression costs.
- Establishing an offset for the State Forestry Department to apply to certain forestland.
- Removing the requirement that the balance of the Cash Flow Repayment Fund be transferred to the General Fund.
- Establishing the Wildfire Prepared Structures Program at the Department of the State Fire Marshal.

The Department of the State Fire Marshal is directed to consult with the division in developing a list of wildfire hazard mitigation improvements that the Wildfire Prepared Structures Program will incentivize. The bill is effective on the 91st day following adjournment *sine die*.

Plan: The division anticipates coordinating with the OSFM on the wildfire hazard mitigation improvements included in the Wildfire Prepared Structures Program.

SB 5511: DCBS agency budget bill

HB 5006: End of session bill

Create new provisions; amend section 275, chapter 669, Oregon Laws 2021, and section 248, chapter 605, Oregon Laws 2023.

Bill

- **Summary:** These two bills are the relevant funding bills for the Department of Consumer and Business Services, of which BCD is a division. SB 5511 is a standard budget bill and contains appropriate funding for the division. Included in the bill are two policy option package (POPs) which allow BCD to increase its limitation in order to:
 - Purchase an information technology system to manage the training and certification process for building officials and building inspectors in Oregon. The Division currently uses a manual process that is time consuming and inefficient.
 - Execute a new contract to support the ePermitting platform, and procure new information technology systems to assist with boiler and elevator billing.

HB 5006 is an omnibus, end-of-session budget bill. HB 5006 is the legislative vehicle that makes the final changes across Oregon's enterprise budget. It contains hundreds of discreet funding allocations. Among those allocations is a POP that gives BCD permission to use existing funds to hire four new plans examiner positions, in anticipation of the expanded need for plans examination statewide, including for performing master plan review, prefabricated plan review, and plan review for other jurisdictions through mutual aid. SB 5511 is effective July 1, 2025. HB 5006 is effective on passage.

SB 49: Building Codes Structures Board composition

Amends ORS 455.132.

Bill

Summary: Senate Bill 49 alters the composition of the Building Codes Structures Board, adding two new board member seats to the board and further altering an existing seat as follows:

- Addition of one new board member seat dedicated for “a fire protection engineer;” and
- Addition of one new board member seat dedicated for “a structural engineer, certified or registered under ORS 672.107, specializing in the design of residential buildings more than three stories above grade.”
- Alteration of an existing board member seat to “an architect” from the current “an architect or engineer.”

The measure is effective January 1, 2026.

Plan: The division intends to support the onboarding of new members, and related board support, as it currently does. The addition of two board members to this board is anticipated to have a minimal impact on division operations, but will bring additional perspectives to the Building Codes Structures Board.

SB 83: Wildfire hazard and mapping

Creates new provisions; amends ORS 105.464, 197.716, 215.291, 215.495, 476.392, 476.398, 476.687, 476.690, 476.696, 477.015, 477.503, 477.748 and 526.272; repeals ORS 455.612, 455.614, 476.390, 476.394, 477.027, 477.161 and 477.490 and sections 12a, 12b, 12d and 29, chapter 592, Oregon Laws 2021.

Bill

Summary: Senate Bill 83 is the most recent in a line of bills relating to wildfire over the course of the last several sessions. In 2021, the legislature passed Senate Bill 762, a comprehensive wildfire law aimed at creating fire-adapted communities, improving landscape resiliency, and enhancing wildfire response. Part of the bill directed the Oregon Department of Forestry, in partnership with Oregon State University, to create a statewide wildfire risk map that included wildland-urban interface (WUI) boundaries, categorizing properties into wildfire hazard classes (extreme, high, moderate, low, and no hazard). It also required the State Fire Marshal to establish defensible space standards based on the map and the International Wildland-Urban Interface Code, and for the Department of Consumer and Business Services to adopt building code standards (R327) for new construction in high-hazard areas.

In 2023, the Oregon Legislative Assembly passed Senate Bill 80 to update the state's approach to wildfire hazard assessment and mitigation. The bill revised the statewide

wildfire map by reducing the classification system from five tiers to three categories. It also introduced programs focused on improving the resilience of homes in vulnerable communities.

In 2025, Senate Bill 83 represents a shift in policy, amending significant portions of these preceding laws. The bill repeals the statewide wildfire hazard map and all associated regulatory requirements including defensible space requirements and wildfire hazard mitigation building code requirements. DCBS was directed to make the wildfire hazard mitigation provisions of Section R327 available for local adoption. The bill is effective on passage.

Plan: The division intends to implement the requirements of Senate Bill 83 by amending Section R327 of the Oregon Residential Specialty Code. These amendments will:

- adjust the scope of the section to only apply to new construction of new buildings;
- make the section available for local adoption by any municipality that approves it; and,
- require that a municipality that adopts the section locally notify the division of that adoption and where, within the municipality, the section will apply.

The division first intends to bring these code amendments to the Residential and Manufactured Structures Board to approve the amendment to the code. Initially the division will adopt these amendments with a temporary rule that is intended to go into effect shortly after board approval. The division intends to then go through a full rulemaking process including a public hearing on the rule prior to an anticipated permanent rulemaking targeting an effective date of January 1, 2026.

SB 974: Residential development plan approval 120-day timeline

Creates new provisions; amends ORS 197.830 and 197.835.

Bill

Summary: In Oregon, the process of submission and approval of applications for residential development is largely governed by the local municipality. In contrast to Oregon's statewide building code, under ORS 92, local governments adopt their own processes, and as a result, timelines vary. SB 974 requires application review and approval be completed with 120 days. The measure contains provisions for extension, if requested by the applicant. The bill is effective on the 91st day following adjournment *sine die*.

Plan: This measure is not anticipated to impact division operations directly. However, the construction work that follows approval of a plan will likely fall under the statewide building code, and therefore will be the responsibility of the Building Codes Division.

SB 1061: Lumber grading for ORSC-governed structures

Creates new provisions.

Bill

Summary: The Building Codes Division (BCD) administers Oregon's Statewide Building Code, which provides uniform standards that ensure newly constructed residential and commercial buildings are safe for citizens to occupy. BCD adopts, by reference, American Softwood Lumber Standard PS 20-20, which includes requirements for grading lumber. Lumber grading is, generally, the evaluation of the quality, strength, and characteristics of the lumber. Lumber that is not graded has limited use as a building material under the building code. Lumber grading occurs under the auspices of professional lumber grading organizations that control the inspectors and inspection processes.

SB 1061 requires BCD to establish, by rule, a new process to accept lumber graded by individuals certified under a pilot training program operated by Oregon State University. The bill becomes effective January 1, 2026 and “sunsets,” or ceases to exist, January 2, 2033.

Plan: BCD will undertake the rulemaking described in the bill, including limitations established in the bill:

- Consistency with current code standards for existing grades and design values under the building code
- Permitting the use of self-graded lumber only for structures governed by the Oregon Residential Specialty Code
- Disclosure of the use of self-graded lumber in the permit file.

SB 1066: Fire suppression and life safety standards for Residential Training Homes and Adult Foster Homes

Amends sections 3 and 9, chapter 91, Oregon Laws 2022.

Bill

Summary: Residential Training Homes and Adult Foster Homes are defined in ORS 443. Residential Training Homes are supported residential care facilities for adults with intellectual or developmental delays. Adult Foster Homes are supported residential care facilities for adults that require assistance with daily tasks; both are commonly located in single-family residential dwellings and are permitted to house up to five care recipients.

Fire suppression and life safety standards for these facilities include a requirement to install automatic residential fire sprinklers. SB 1548 (2022) created a temporary

exemption from the sprinkler requirements for these facilities, SB 1521 (2024) extended that exemption.

SB 1066 extends the exemption further by two years, through 2028. The measure is effective on passage.

Plan: The division will update the text box in the Oregon Structural Specialty Code to reflect the new bill and corresponding date of the stay of enforcement and will update the associated technical bulletin with similar details.

SB 1086: Building Inspection Professional Apprenticeship Program

Creates new provisions; amends ORS 455.720.

Bill

Summary: Oregon currently has an Inspector Training Program designed to establish a workforce of building inspection professionals that are knowledgeable on the statewide building code. The Inspector Training Program is operated through the Building Codes Division of the Oregon Department of Consumer and Business Services (DCBS). The division works closely with members of the Oregon Building Officials Association, the professional association for building inspection professionals in Oregon.

Senate Bill 1086 directs DCBS to assist and provide staff support to OBOA for the purpose of developing and submitting to the State Apprenticeship and Training Council a proposal to establish an apprenticeship program for building inspectors. The bill is effective on the 91st day following adjournment *sine die*.

Plan: The division plans to work with OBOA members as the apprenticeship program proposal is developed. The division intends to treat the staff support of this work in a similar manner to the support provided to standing boards, rules advisory committees, and other similar meetings. Notably, this bill “sunsets,” or ceases to exist, on January 2, 2027. The intent is that the process of drafting the proposal will either result in an appropriate program proposal or, alternately, reveal the need for further work or legislation.