

Background Information on
Measure 63

General Election
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Prepared by

League of Women Voters® of Oregon Education Fund
1330 12th Street SE, Suite 200
Salem, OR 97302
(503) 581-5722 Fax (503) 581-9403
E-mail: lwvor@lwvor.org

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Ballot Measure 63

EASY VOTERS' GUIDE

Ballot Measure 63: Allows Some Improvements without Building Permits

Official Title: Exempts Specified Property Owners from Building Permit Requirements for Improvements Valued at/under \$35,000.

The way it is now:

People who own their homes and want to make certain improvements on their house, like an addition, must get a permit and pay fees. No permit is needed for some improvements, like replacing cabinets, painting, or putting in new carpet. Local governments make decisions about what types of improvements require permits.

What Measure 63 would do:

People will not need to get a building permit when making most improvements on their house, if the improvement is worth \$35,000 or less. People can also make improvements on farm buildings without a permit, if the changes are worth \$35,000 or less. The homeowners must tell people who want to buy their house about all of the improvements made without permits. Only an electrician can make changes or put in new electrical wiring.

Argument for:

People will be more likely to make improvements on their homes if they don't need to get a permit. This will increase the value of their properties. Also, people will be able to make home improvements without getting a fine for not having a permit.

Argument against:

It will not be possible to check that people are following the building code rules. This means some places might not be safe and insurance companies may not cover them. Also, it will be hard to tell when an improvement is worth \$35,000 or less. Finally, it will be hard to tell how much the property is worth for tax purposes.

A "Yes" vote means:

Minor improvements on homes or farms, worth \$35,000 or less, will not need a building permit.

A "No" vote means:

Building permits are needed for most improvements, even those valued at less than \$35,000.

How much it would cost:

The state government would receive less money, between \$450,000 and \$750,000 each year. Local government money will be reduced between \$4 million and \$8 million through reduced building permits. However, they would save about the same by doing fewer inspections.

REGULAR VOTERS' GUIDE

Oregon Ballot Measure 63

STATUTORY AMENDMENT: Exempts Specified Property Owners from Building Permit Requirements for Improvements Valued at/under \$35,000

INITIATIVE: This is a statutory measure placed on the ballot by initiative petition with an estimated 83,869 valid signatures.

FINANCIAL IMPACT: This measure will reduce local revenues between \$4 million and \$8 million annually through reduction in the number of building permits. The amount of reduction will depend on the level of construction activity and the degree to which inspections are still requested by residential property owners. The measure will also reduce local government expenditures by a similar amount, as fewer inspections for minor improvements will be required.

Since the state receives a surcharge of 12% on certain local permit revenue, this measure will reduce state revenue between \$450,000 and \$750,000 per year.

Because county assessors use permit information to identify taxable property, there may be some reduction in local property tax revenue or additional expenditure required to identify new improvements. There may be some reductions in school district tax revenue for the same reason.

Probable results of a Yes Vote

Minor improvements valued at \$35,000 or less made to residential and farm properties will not need building permits or inspections.

Probable results of a No Vote

Improvements valued at less than \$35,000 will continue to need building permits and inspections and will not be exempt from the current building code compliance statues.

Background

Permits are required for any new construction and alternations and additions to existing buildings, including structural, plumbing, mechanical, electrical, manufactured dwelling, boiler and elevator work. Local restrictions vary on whether or not a permit is required for such items as: storage sheds, fences, retaining walls, sidewalks, driveways, roof replacement, painting, tiling, carpeting, cabinets, counter tops, and similar finish work as well as certain agricultural and equine buildings.

Oregon law requires permits to ensure minimum building standards for the safety of current and future owners and occupants.

The property owner or contractor is responsible for obtaining the permits. A construction permit application and fee schedule are available from the local Building Department. When a permit is issued, work can begin.

The Proposal

Measure 63 adds a new section to Oregon Statutes under which a property owner will not need a building permit to:

- Make improvements to one or more existing residential or farm structures located on a single parcel of land or adjacent parcels owned by the same owner or
- Build a new farm building not for human habitation if the total value of the improvements and additions does not exceed \$35,000 in a single calendar year.

The \$35,000 exemption shall increase annually to account for inflation. The owner is required to pay property taxes on the improvements.

The addition of a second story to all or part of an existing residential structure without a building permit is not allowed. The construction of an addition must adhere to uniformly applied setbacks from property lines and/or limitations on the height of the structure.

Changes to the electrical wiring or new wiring added to an existing structure must be done by a licensed electrical contractor or the completed work must be approved by a licensed electrical contractor who will be responsible for the work.

If the property which has been improved without a building permit is put up for sale or exchange, the potential buyers must be informed of all improvements made without a building permit.

This new section supersedes any pre-existing local, regional, or state government laws or regulations.

Supporters Say

- Owners should have the right to make minor improvements on their own property without dealing with government bureaucracy.
- Without local permit fees, the costs to make improvements will be less so owners are more likely to make improvements that will increase the value of their properties.
- Owners who make minor improvements without permits will not be making them illegally and therefore subject to fines and/or prosecution by local authorities.
- Removing the permit fees for improvements under \$35,000 could aid the owners of small agricultural operations who are already struggling.

Opponents Say

- The inability to verify building code compliance through inspections threatens public safety and insurability of property.
- The required detailed description of all improvements will no longer be a part of the public record and may not be traceable for future purchasers.
- It will be difficult for local building departments to verify if improvements fall under the \$35,000 limit; thereby increasing their staff and workload without the financial compensation of permit fees.
- Shoddy home improvements decrease neighboring property values

REFERENCES AND RESOURCES

Bill Sizemore – initiator and proponent

Guy Sperb – opponent

Bill Cross – opponent

Mike Broomfield, Direction Building Inspections, Ashland – opponent

Rep. Peter Buckley, District 5 – legislative contact

ADDITIONAL MEASURE BACKGROUND

prepared for Speakers' Kit by League Researcher

The impetus for this initiative was a concern by the initiative writer that a high percentage of the public was breaking the law by making minor home improvements without building permits or inspections by local building code officials. His thinking was that if a high percentage of the public was breaking a law it should be changed.

There are no legislative supporters and the initiative was not part of any legislative process this year or in the recent past. This was confirmed by Rep. Peter Buckley of District 5; David Harrell, Legislative Aide to Representative Mike Schaufler of District 48; and Mark Long, Director of Building Codes (503-378-4150).

Concerned citizens have developed a website www.citizensagainstunsafehousing.org which outlines their concerns and the reasons why the public should vote NO on Measure 63.

Organized building trade unions such as plumbers, electrical and general contractors are opposed, as are architects, lenders and insurance companies.

SECRETARY OF STATE'S INFORMATION FOR MEASURE 63**EXPLANATORY STATEMENT**

This statement, required by ORS 251.215, was prepared for the Election Division by Bill Sizemore, Alan Grosso, Bill Cross, Guy Sperb, and Bob Russell

Ballot Measure 63 would exempt certain changes to residential or farm property from building, plumbing, electrical and mechanical permits, inspection and other approval requirements. The measure would preempt any contrary provisions. The exemption would apply for changes to existing residential or farm structures and for building new farm structures that will not be lived in by people. The measure would not exempt an owner from paying taxes on changes to the property.

Changes would not be exempt if the total value of changes made in a calendar year exceeds \$35,000. The \$35,000 limit would be increased yearly for inflation. One \$35,000 limit would apply for all changes to existing residential and new or existing farm structures on a single parcel, or adjacent properties with the same owner.

The addition of a story to an existing residential structure would not be exempt from building, plumbing, electrical and mechanical permit requirements. The measure would not allow an addition that violates uniformly applied requirements for property line setbacks or in violation of regulations establishing reasonable, uniformly applied limitations on the height of the building.

Electrical wiring work in an existing structure or a new farm building would not be exempt unless a licensed electrical contractor performed the work or inspected and approved the work. The electrical contractor would be responsible for work the contractor inspects and approves.

A property owner could not accept an offer to purchase the property without first giving the purchaser a detailed description of changes to the property that the owner made without building, plumbing, electrical and mechanical permits.