

HOUSE BILL REPORT

HB 2214

As Reported by House Committee On:
Local Government

Title: An act relating to the training of code enforcement officials.

Brief Description: Concerning the training of code enforcement officials.

Sponsors: Representatives Takko and Springer.

Brief History:

Committee Activity:

Local Government: 1/20/14, 1/27/14 [DPS].

Brief Summary of Substitute Bill

- Imposes a \$2 fee on each building permit issued by a city or county.
- Requires money collected from the \$2 building permit fee to be remitted to the State Treasury and deposited in the Code Officials Apprenticeship and Training Account (Account).
- Provides that funds in the Account must be appropriated to the Department of Enterprise Services for distribution to the sponsor of an apprenticeship program for building officials and may be used for specified purposes.
- Requires the Department of Labor and Industries to review the Code Officials Apprenticeship and Training Program and the use of funds distributed to it from the Account, as well as to submit preliminary and final reports to the Legislature by June 1, 2016, and December 31, 2016.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Takko, Chair; Gregerson, Vice Chair; Farrell, Fitzgibbon and Springer.

Minority Report: Do not pass. Signed by 4 members: Representatives Overstreet, Ranking Minority Member; Kochmar, Assistant Ranking Minority Member; Pike and Taylor.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Michaela Murdock (786-7289).

Background:

Apprenticeship Programs.

The Washington State Apprenticeship and Training Council (Council), which is part of the Department of Labor and Industries (L&I), establishes apprenticeship program standards, approves apprenticeship training programs, and otherwise governs the programs. Programs must conform to state and federal law, and rules adopted by the L&I. There are currently numerous apprenticeship programs across the state in a variety of occupations.

All newly approved apprenticeship programs must be represented by an apprenticeship committee. Apprenticeship committees devise standards for programs and are responsible for the day-to-day operations of the programs. A unilateral apprenticeship committee has employer representatives, and may include employees, but does not have a bona fide collective bargaining agent as a participant. A joint apprenticeship committee is composed of an equal number of employer representatives and employees, as well as includes bona fide collective bargaining agents. All apprenticeship committees must be approved by the council, and must be composed of an equal number of employer and employee representatives.

A "sponsor" of an apprenticeship training program is any person, firm, association, committee, or organization operating an apprenticeship and training program and in whose name the program is registered or is to be registered. Apprenticeship committees are composed of persons designated by the sponsor.

The Code Officials Apprenticeship Program.

The Code Officials Apprenticeship Program (Program) was initially approved in 2009. It is sponsored by the Washington Association of Building Officials and is registered with the Council.

State Building Code Enforcement.

The State Building Code Act (SBCA) provides, among other things, minimum performance standards and requirements for construction and construction materials, consistent with accepted standards of engineering, fire, and life safety. The SBCA, with some exceptions, limitations, and amendments, adopts by reference various model codes, which comprise the Washington State Building Code (Building Code). It is the responsibility of the State Building Code Council (SBCC) to adopt, maintain, regularly review updates of, and amend as appropriate the codes adopted by reference. The Department of Enterprise Services (DES) provides administrative and clerical assistance to the SBCC.

The governing body of each county or city is authorized to amend the Building Code as it applies within its jurisdiction; however, the minimum performance standards of the codes may not be diminished. Counties and cities are required by the SBCA to enforce the Building Code.

Building Permit - Fee.

Building permits for structures are issued by local jurisdictions. There is a fee of \$4.50 imposed on each building permit issued by a county or city, plus an additional surcharge of \$2 for each residential unit, not including the first, on each building containing more than one residential unit. Quarterly, each county and city must remit money collected in accordance with this fee to the State Treasury. Remitted funds are deposited into the Building Code Council Account and are, subsequently, appropriated to the DES for purposes of the SBCC.

Summary of Substitute Bill:

The Legislature finds that support for technical training and the Program will provide: (1) consistent training for code officials for all jurisdictions; (2) education on the implementation of new energy and green construction codes; (3) equal access to training; (4) a reduction of the employment cost burden of local jurisdictions; and (5) leverage of training dollars.

A fee of \$2 is imposed on each building permit issued by a county or city. Funds collected from the fee must be deposited in the Code Officials Apprenticeship and Training Account (Account), which is created in the State Treasury. Distributions from the Account may only be made after appropriation for specified purposes.

Funds in the Account must be appropriated to the DES for distribution to the sponsor of an apprenticeship program for building officials. The funds may be used only for the following expenses:

- expenses of establishing and operating the program;
- administrative expenses of the joint apprenticeship training committee for the program; and
- expenses related to training programs for code officials provided by public or private entities.

The L & I must review the Program and the use of funds collected in accordance with the \$2 building permit fee. The L & I must analyze: (1) whether and to what extent the purposes of the Act are being furthered or achieved; and (2) the impact the Program and funding support has had on each county and specified persons or groups of persons. The L&I must request information from and consult with specified stakeholders. A report of the L&I's findings must be submitted to the appropriate committees of the Legislature by June 1, 2016 (preliminary report), and December 31, 2016 (final report).

Substitute Bill Compared to Original Bill:

The Department of Revenue, as specified in the underlying bill, is replaced by the DES as the state agency: (1) to which funds deposited into the Account must be appropriated; and (2) that must distribute the appropriated funds to the sponsor of an apprenticeship program for building officials.

The substitute bill creates a new review and reporting requirement for the L&I. The L&I must review the Program and the use of funds collected in accordance with the \$2 building permit fee. A report of the L&I's findings must be submitted to the appropriate committees

of the Legislature by June 1, 2016 (preliminary report), and December 31, 2016 (final report).

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) There are few building officials under the age of 50 in this state. There is concern that a number of building inspectors and officials are reaching retirement age and will be leaving the profession. We need to be able to fill vacancies with younger, diverse people who are skilled, qualified, and can consistently provide the same answers to the same questions.

Building officials and inspectors should be consistent in executing their duties. This program will increase the consistency and professionalism of building departments. The industry has always trained people in the same way. We want to shift that paradigm to provide for a workforce that has a standardized understanding of their responsibilities and industry standards.

Building departments struggled during the recession to keep qualified building officials in place and to bring on new qualified hires. When officials left during the recession, a wealth of institutional knowledge left as well. This program will help preserve and transfer that institutional knowledge to new building code officials. The economy is recovering and counties are hiring; now is the time to put this program into action. This program will help support and train unemployed and underemployed workers in the state and younger workers just coming out of school.

This is the only program recognized by both the state and the federal government. It will provide training not only on technical requirements, but also on legal requirements (*e.g.*, in drafting ordinances and complying with due process considerations). The training provided by the program will protect the public by educating officials on elements of the law.

The idea for the program was first conceived in 2007. A group of six people were charged with getting approval for the program from the state apprenticeship council, which they did. The program was suspended during the downturn, but it is back now and has been revised.

A funding source and development of classes are the two pieces still needed for the apprenticeship program to function. This bill will help with the funding, and classes are currently being developed. The Washington Association of Building Officials (WABO) will also provide funding for the program. The budget developed for the program fully supports the level of funding proposed in the bill. The \$2 fee imposed on the building permit is a

reasonable fee that will have no impact on development costs. This program does not give a free ride to anyone; apprentice students will have to pay their own way.

(With concerns) One of the three purposes authorized in the bill, for which program money may be spent, is "other training programs." The money should only be spent on costs to administer the program and costs of the program. If money may be spent on other training programs, it will thwart the intent of the program to provide consistent training. This provision should be eliminated.

Additionally, there are concerns about the funding mechanism. We need to take a global look at what all is being added to the building permit fee by this bill and other legislation. The cost of a building permit fee could increase significantly.

(Opposed) Imposition of a \$2 fee on the building permit is not supported. The amount initially proposed for the fee was \$1. We do not want various fees to be continually added to the building permit. Perhaps this program could be funded in part by the general public, since building codes are a public health, safety, and welfare issue, and everyone is protected by properly enforced building codes.

Persons Testifying: (In support) Representative Takko, prime sponsor; Kraig Stevenson, International Code Council; Stan Bowman, The American Institute of Architects Washington Council; Gary Allsup, Mary Kate McGee, and Mike Noot, Washington Association of Building Officials; and Andy Higgins, Washington Association of Building Officials and City of Seattle.

(With concerns) Jim King, Washington State Heating, Ventilation, Air-conditioning, and Refrigeration Association.

(Opposed) Jan Himebaugh, Building Industry of Washington.

Persons Signed In To Testify But Not Testifying: None.