

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB1509

Patron: Phillips

Bill Title: Uniform Statewide Building Code; regulations superseded; exceptions; interpretations; report.

Bill Summary: Removes existing exceptions to the Uniform Statewide Building Code and establishes a process by which counties, municipalities, and other political subdivisions may petition the State Building Code Technical Review Board (TRB) to grant single project exceptions. The bill requires the Review Board, in granting approval for an exception, to identify other counties, municipalities, and political subdivisions of the Commonwealth in which the conditions are substantially similar and to which such exception shall therefore apply. The bill additionally requires the Review Board to report to the General Assembly annually no later than November 1 regarding the number of petitions received, the disposition of such petitions, technical findings supporting approvals and denials, and the cost and safety impacts of any approved exception. The bill requires any interpretation issued by the Review Board to apply statewide. Finally, the bill directs the Board of Housing and Community Development, in consultation with the Department of Professional and Occupational Regulation, to establish a training program for local plan reviewers and inspectors to ensure enforcement of the Uniform Statewide Building Code is uniform across the Commonwealth.

Budget Amendment Necessary: Yes

Items Impacted: 105

Explanation: This bill involves the Department of Housing and Community Development (DHCD); the Department of Professional and Occupational Regulations (DPOR); and localities. A general fund budget amendment is required to implement the provisions of the bill.

Fiscal Summary: It is anticipated that DHCD will require additional general fund appropriation under Item 105, HB30/SB30, to establish and administer a new exception petition process for the Uniform Statewide Building Code, and the development and delivery of a statewide training program for local plan reviewers and inspectors.

General Fund Expenditure Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
165 (DHCD)	-	\$558,000	\$558,000	\$558,000	\$558,000	\$558,000
TOTAL	-	\$558,000	\$558,000	\$558,000	\$558,000	\$558,000

Fiscal Analysis: This impact statement is preliminary. It is anticipated that this bill will result in ongoing general and nongeneral fund impact to DHCD, driven by the establishment and administration of a new exception petition process for the Uniform Statewide Building Code, and the development and delivery of a statewide training program for local plan reviewers and inspectors.

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The number of exception requests that may be submitted by localities is indeterminate. However, DHCD estimates that a total of \$558,000 from the general fund will be required annually to support one supervisory position and two senior technical support positions, as well as \$50,000 in estimated costs for 12 additional annual TRB meetings. DHCD states the positions are needed to establish baseline administrative and analytical capacity to implement the locality-based exception petition process, with actual staffing needs potentially increasing depending on petition volume and complexity. Under current practice, the TRB reviews a limited number of exception matters, with recent meetings addressing approximately five cases per month, supported primarily by one senior staff position with supplemental assistance from code specialists as needed. The bill establishes a standing process requiring capacity for petition intake and management, independent technical research and analysis, coordination with petitioning localities, preparation of materials for TRB deliberations, documentation of findings, publication of approved exceptions with justification, identification of similarly situated localities, and compilation of this activity into an annual report.

Additionally, the bill requires expansion of training development and delivery activities to account for locality-based exceptions approved by the TRB. The degree to which training materials need to be updated depends on the number of determinations made under the new exception process established in the bill. DHCD indicates that training materials would need to be developed or modified to reflect approved exceptions applicable to individual localities or groups of localities, and that additional training sessions would be required to ensure local officials are trained on applicable requirements. Currently the Code Academy staffing and operations is paid for by a two percent levy on local building permits, equivalent to approximately \$3.0 million annually. The levy percentage is anticipated to increase in order to absorb any additional costs related to training changes required in the bill. The agency states that two positions, estimated to cost \$231,000 annually, may be required to carry out the training requirements of the bill. Nongeneral fund appropriation can be provided administratively if needed.

DPOR anticipates that any impact that may result from this bill can be absorbed within agency resources.

Other: None.