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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 428
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 428's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Reynolds

Local Impact Statement Procedure Required: No

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Highlights

- Local building departments and the Department of Commerce (COM) will absorb administrative costs to update their building codes and inspection procedures to align with the standards set by this bill.
- Local building departments, local health departments, and COM may see changes in overall inspection costs and fee revenue, which should offset, as fourplexes move from inspection under the Ohio Building Code to standards under the Residential Code of Ohio.

Detailed Analysis

Administrative updates

The bill makes changes to the Building Standards Law and other laws applied to four-family dwellings (fourplexes), as described in the [LSC bill analysis](#), for the purpose of increasing the production of this housing type. Additionally, the bill requires the Board of Building Standards (BBS) under the Department of Commerce's Division of Industrial Compliance to adopt rules permitting a single stairway to serve as an exit for all dwelling units in an R-2 building, which includes apartment houses, if certain fire safety standards are met. Local building departments and the BBS will absorb administrative costs to update their building codes and inspection procedures to align with the standards set by this bill.

Implementation

Local building departments, local health departments, and the BBS will incur additional costs for inspections of fourplexes that have been applied to detached housing units with between one and three units, such as under the Residential Code of Ohio (RCO). These additional costs will be offset by fees that are charged to perform these inspections. Similarly, these entities

will no longer perform the inspections of fourplexes as required by current law under the Ohio Building Code (OBC) nor collect the associated fee revenue. The overall impact of these changes will depend on how many fourplexes are built yearly and the applicable fee schedule. An increase in fourplex housing production would be associated with an increase in both revenue and costs.

The Department of Commerce's Division of Industrial Compliance will absorb any costs under Fund 5560 ALI 800615, Industrial Compliance. H.B. 96 of the 136th General Assembly appropriated \$33.5 million and nearly \$33.7 million under ALI 800615 in FY 2026 and FY 2027, respectively, to carry out the Division's functions. Part of this funding is allocated to cover the Division's cost of overseeing building code development, inspection, plan, review, licensing, and permit services related to the commercial and residential construction industry.

Indirect fiscal impacts

Under the bill, it is possible to foresee that an increase in fourplex housing construction could expand local government tax bases by increasing the value of the property on which fourplex structures are built. There is also the potential that greater housing density would make more efficient use of public infrastructure, meaning a lower cost per housing unit served by that infrastructure.