

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1560-04
Bill No.: HB 707
Subject: Fire Protection; Health Care; Health Department; Nursing and Boarding Homes
Type: Original
Date: March 10, 2009

Bill Summary: This legislation requires smoke alarms to be installed in each resident room and any room designated for sleeping in a long-term care facility until such time as the required sprinkler system is installed.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 198.074 & 198.075:

Officials from the **Office of Administration-Administrative Hearing Commission** and the **Department of Social Services** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Mental Health (DMH)** state the DMH has no facilities covered under Section 198; therefore, anticipates no fiscal impact.

Officials from the **Department of Public Safety - Division of Fire Safety** states the Division currently is required to inspect long-term care facilities, of which there are approximately 1,200 in the state of Missouri. The cost of installing the smoke alarms in the sleeping rooms of the residential care facilities would be assumed by the facility owner. Therefore, the Division of Fire Safety is not fiscally impacted by this change in the law.

Officials from the **Department of Health and Senior Services (DHSS)** state the DHSS fiscal note response to SS SCS HCS HB 952 and 674 (FN 2306-11T) passed during the 2007 legislative session indicated an Unknown, greater than \$100,000 impact for the General Revenue Fund and an Unknown impact for the Fire Safety Standard Loan Fund. The Unknown impact on the Fire Safety Standard Loan Fund indicated last year, is still appropriate. With the potential for additional loan applications to process, loan tracking, monitoring of repayments, etc., there would also be an increase in costs to General Revenue for administrative purposes. This impact would also continue to be Unknown, greater than \$100,000 as reported in the 2008 fiscal note. The amount however, would be at an increased unknown amount.

Oversight assumes this legislation clarifies the language passed in SS SCS HCS HB 952 and 674. Oversight assumes any fiscal impact was included in FN 2306-11T and therefore, assumes DHSS would not be fiscally impacted by this change in law. If a fiscal impact were to result, the DHSS may request additional funding through the appropriations process.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

This legislation may impact small businesses eligible for the loan program outlined in this legislation.

FISCAL DESCRIPTION

Sections 198.074 & 198.075:

The proposed legislation changes the laws regarding sprinkler systems in long-term care facilities. In its main provisions, the legislation:

- (1) Clarifies existing language regarding which facilities are required to comply and the date by which they must comply with the provisions regarding the installation of sprinkler systems;
- (2) Allows facilities that have submitted a plan for compliance for the installation of a commercial sprinkler system to be eligible for a loan from the Department of Health and Senior Services;
- (3) Requires facilities that have submitted a plan for compliance for the installation of a commercial sprinkler system to equip each sleeping room in the facility with a battery-powered smoke alarm until the commercial system is completely installed. The facilities must also be equipped with heat detectors interconnected to the fire alarm system in areas subject to nuisance alarms; and

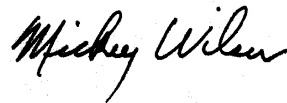
FISCAL DESCRIPTION (continued)

(4) Allows local fire protection districts or fire departments that are deemed qualified by the State Fire Marshal to conduct fire safety inspections of these facilities for compliance with state statutes regarding the installation of the sprinkler system.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration-Administrative Hearing Commission
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Department of Public Safety



Mickey Wilson, CPA
Director
March 10, 2009