

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5445-01
Bill No.: HB 1523
Subject: Construction and Building Codes; Fire Protection; Political Subdivisions
Type: Original
Date: April 2, 2012

Bill Summary: This proposal specifies that, beginning January 1, 2013, certain specified building codes will be deemed the official state codes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
State Code Fund	\$16,591	\$21,058	\$21,058
Total Estimated Net Effect on <u>Other</u> State Funds	\$16,591	\$21,058	\$21,058

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Division of Fire Safety** assume a representative from the Missouri Association of Building and Fire Officials indicated there to be approximately 1,500 inspectors who would seek registration in Missouri and renew annually. The State Code Manager and the State Fire Marshal are to administer, review, and maintain the official state codes in conjunction with the State Code Commission. Based on this information, the Division would need to hire a 1,000 hour clerical employee to process the applications and accounting, and issue the registration certificates for the inspectors. Technical questions would be forwarded to the State Code Manager and Code Commission. The State Code Manager is not anticipated to be a paid, full-time position at this time. Total costs for FY13 are anticipated to be \$20,909. Fees generated are anticipated to be \$37,500, resulting in a fund balance of \$16,591.

Oversight assumes this proposal allows the collection of a \$25 fee for the administration of this program. All costs associated with this proposal are to be paid out of the State Code Fund created per this proposal.

Officials at the **City of Kansas City, Department of Agriculture, Department of Conservation, Joint Committee on Administrative Rules, Missouri Department of Transportation, Office of Administration, Office of the Governor and the Office of State Treasurer** assume there is no fiscal impact from this proposal.

Officials at the **St. Louis County** assume any costs from this proposal would be the cost of registering St. Louis County's seventy inspectors.

Officials at the **Central County Fire & Rescue** assume the cost would be about \$200 per year for registering their inspectors.

Officials at the **Battlefield Fire Protection District** assume an unknown impact.

Oversight assumes the cost to the local political subdivisions is the cost of the registering of the inspectors which could be absorb with existing resources.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for

ASSUMPTION (continued)

this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
STATE CODE FUND			
<u>Revenue</u> - annual fee for the registration of inspectors	\$37,500	\$37,500	\$37,500
<u>Cost</u> - to administer program including hiring temporary help	<u>(\$20,909)</u>	<u>(\$16,442)</u>	<u>(\$16,442)</u>
ESTIMATED NET EFFECT ON STATE CODE FUND	<u>\$16,591</u>	<u>\$21,058</u>	<u>\$21,058</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

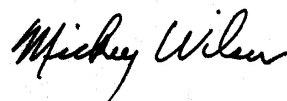
FISCAL DESCRIPTION

This proposal assumes each county, municipality, and fire protection district must enforce the state codes within its jurisdiction through inspection services by its employees, intergovernmental agreements, or registered third-party inspectors who may be charged an annual registration fee of up to \$25 by the commission which will be deposited into the newly created State Code Fund.

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

Battlefield Fire Protection District
Central County Fire & Rescue
City of Kansas City
Department of Agriculture
Department of Conservation
Fire Safety
Joint Committee on Administrative Rules
Missouri Department of Transportation
Office of Administration
Office of the Governor
Office of the Secretary of State
Office of State Treasurer
St. Louis County



Mickey Wilson, CPA
Director
April 2, 2012