

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB2356

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Cosgrove

3. Committee General Laws

4. Title Office of the State Fire Marshal.

5. Summary/Purpose: Transfers the enforcement of the Statewide Fire Prevention Code (SFPC), including code development and the appeals process, from the Department of Housing and Community Development (DHCD) to the Department of Fire Programs (DFP) under the Fire Services Board. The bill also establishes the Office of the State Fire Marshal and provides for the State Fire Marshal to be appointed by the Secretary of Public Safety rather than by the Director of Housing and Community Development.

6. Fiscal Impact Estimates are: Preliminary. See item 8, below.

7. Budget amendment necessary: Yes, item 106 (DHCD) and a new item (DFP).

8. Fiscal implications: DHCD is currently responsible for the enforcement of the SFPC. DHCD has 36 FTEs and six P-14s assigned to this function and a budget of \$2.79 million (\$2.24 million from the general fund and \$550,952 in nongeneral fund appropriation) for FY 2008. In addition to enforcement of the SFPC, a number of these positions perform other functions within the agency that would not be transferred to DFP as part of this legislation, such as code development activities for the Uniform Statewide Building Code (USBC), plans review for state-owned buildings and universities, and consulting services. As a result, some of these positions and a portion of this funding will need to remain within DHCD.

DFP is funded entirely with nongeneral fund revenues, the Fire Programs Fund. This Fund is comprised of revenue generated from a one percent levy on five lines of insurance (home, farm, marine, fire, and miscellaneous property). The proposed legislation would prohibit the use of the Fire Programs Fund for salaries or operating expenses associated with the Office of the State Fire Marshal, which the bill implies would include the State Fire Marshal and personnel to enforce the SFPC, or other functions of state government. Consequently, although these functions would become part of DFP, the Fire Programs Fund could not be the fund source for the State Fire Marshal and the enforcement of the SFPC. Included in the \$550,952 nongeneral fund appropriation in DHCD for enforcement of the SFPC is \$92,500 from the Fire Programs Fund, which is used to fund salaries for inspector positions. If the bill passes as introduced, this \$92,500 would need to be supplanted with general fund dollars or other nongeneral fund dollars.

In addition to positions and funding for SFPC enforcement activities, DFP has indicated that the agency may require additional resources for administrative and support functions. A cost estimate for DFP to assume these activities is not presently available.

9. Specific agency or political subdivisions affected: Department of Fire Programs and Department of Housing and Community Development.

10. Technical amendment necessary: No.

11. Other comments: HB 2356, HB 2457 and SB 1132 are identical bills. Member amendments would transfer 36 FTEs and \$2.3 million from the general fund, and \$463,951 in nongeneral fund appropriation, from DHCD to DFP.

Date: 01/22/07/tmw

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cc: Secretary of Commerce and Trade
Secretary of Public Safety