

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6389-01
Bill No.: HB 2451
Subject: Construction and Building Codes; Property, Real and Personal; Architects;
Political Subdivisions
Type: Original
Date: March 27, 2018

Bill Summary: This proposal changes the laws regarding the issuance of certain building permits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	(Unknown, greater than \$1,000,000)	(Unknown, greater than \$1,000,000)	(Unknown, greater than \$1,000,000)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of Kansas City** assume this legislation will have a negative fiscal impact on the City of an indeterminate amount because the City would likely need to hire 2 to 3 additional staff to ensure it can meet the deadlines established by this legislation.

Officials at the **City of Springfield** assume this proposal would require the Business and Development Services department to drastically increase the number of inspectors and significantly increase its equipment, computers and office space. The approximate cost would be \$1,000,000.

Officials at the **City of Cape Girardeau** assume this proposal would require residential building plans to be reviewed within five days. This would present a real and direct operational cost increase to the City. The City's current residential plan review takes an average of nine days to review. This is due to the volume of residential construction experienced in the City. In order to meet the proposed time line, the City would need to hire an additional part-time plan reviewer just for residential construction. The cost of employing a new plan reviewer would be a minimum of \$26,000 for 1,499 hours annually. This cost would result in higher plan review fees to residential developers to cover the additional salary.

Oversight assumes this proposal could affect multiple cities and counties around the State. Therefore, Oversight will assume a fiscal impact of a negative unknown cost that would be greater than \$1,000,000 for this proposal.

Officials from the following **counties**: Andrew, Atchison, Audrain, Barry, Benton, Bollinger, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Clinton, Cole, Cooper, Davies, Dekalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Wayne, and Worth did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials from the following **cities**: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark City, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O’Fallon, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, St. Charles, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight’s** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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LOCAL POLITICAL SUBDIVISIONS

<u>Cost</u> - additional staff needed to meet requirements of the proposal	(Unknown, greater than <u>\$1,000,000</u>)	(Unknown, greater than <u>\$1,000,000</u>)	(Unknown, greater than <u>\$1,000,000</u>)
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(Unknown, greater than <u>\$1,000,000</u>)	(Unknown, greater than <u>\$1,000,000</u>)	(Unknown, greater than <u>\$1,000,000</u>)
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill creates the "Fairness to Homeowners Act" and establishes a process and schedule for the submission and approval of building permits and certificates of occupancy in certain political subdivisions.

A political subdivision shall evaluate and approve or deny a building plan, or application or inspection for a certificate of occupancy, not signed and sealed by an engineer or architect licensed in this state within five days of the plan's submission or one day of the application's or inspection's submission. A denial must include the reason therefor, specific citations to the building code, and the actions required to receive approval.

Resubmissions of a denied plan shall be evaluated within five business days of resubmission while resubmission of a denied application or inspection shall be evaluated within one business day. A new plan, application, or inspection shall be approved if it includes changes that remedy all reasons for its original denial. Resubmitted plans cannot be denied for any requirement not stated in the initial denial. If a political subdivision fails to evaluate and approve or deny a plan, application, or inspection within the required time, the plan will be deemed approved and a permit shall be issued within seven business days of submission or resubmission while the application or inspection shall be deemed approved and a certificate of occupancy shall be issued within two business days.

A political subdivision shall approve a residential building plan signed and sealed by an engineer or architect licensed in this state and issue a permit within two days of the plan's submission. An application or inspection for a certificate of occupancy signed and sealed by an engineer or architect licensed in this state shall be approved and a certificate issued within one business day of the application's or inspection's submission.

In lieu of a political subdivision conducting building permit inspections, the recipient of the permit may hire an architect or engineer licensed in this state to inspect the work and report the results to the political subdivision using uniform inspection forms.

A process and schedule for the issuance of a temporary certificate of occupancy are specified in the bill. Each violation by any member of a political subdivision is a class A misdemeanor and shall make the political subdivision liable to the applicant for a civil penalty of \$5,000 per violation.

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

City of Kansas City
City of Springfield
City of Cape Girardeau

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe".

Acting Director
March 27, 2018