

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 179** SLS 20RS 225  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 22, 2020 5:43 AM	<b>Author:</b> JOHNS
<b>Dept./Agy.:</b> State Fire Marshal	<b>Analyst:</b> Patrice Thomas
<b>Subject:</b> Registration of Short-term Rental Dwellings	

HOUSING OR INCREASE GF EX See Note Page 1 of 1  
 Provides for the registration and regulation of short-term rental dwellings by the state fire marshal. (1/1/21)

Proposed law requires an owner of a short-term rental dwelling to electronically register the dwelling with the Office of State Fire Marshal within 15 days of the dwelling being advertised or marketed for rental effective 01/01/2021. Proposed law authorizes initial registration with an annual renewal or 5-year renewal. Proposed law provides electronic registration include the number of sleeping rooms and attestation of fire safety features by the owner. Proposed law authorizes the State Fire Marshal to allow alternative fire safety features if the owner appeals based on practical difficulties or unreasonable economic hardships. If an owner fails to register, proposed law provides for civil penalties: (1) first violation is a warning letter; (2) second violation is \$500; and (3) third and subsequent violation is \$1,000. Proposed law authorizes the State Fire Marshal to investigate and inspect a short-term rental dwelling for compliance with fire safety features whenever he deems necessary or within 15 days if responding to a complaint. If State Fire Marshal finds hazardous conditions, proposed law provides the owner may not rent the dwelling until State Fire Marshal certifies the dwelling.

<b>EXPENDITURES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law is anticipated to create a recurring increase in SGF expenditures within the Dept. of Public Safety and Corrections (DPS), Public Safety Services, Office of Legal Affairs beginning in FY 21 and a one-time SGF expenditure for the Office of the State Fire Marshal in FY 21 associated with coding changes. DPS estimates FY 21 recurring expenditures at a minimum of \$126,414. Proposed law requires an owner of a short-term rental dwelling to electronically register the dwelling with the State Fire Marshal within 15 days of the dwelling being advertised or marketed for rent. Proposed law authorizes the State Fire Marshal to investigate, inspect, order remedies for noncompliance conditions, and impose civil penalties. DPS anticipates it will require an additional attorney position within the Office of Legal Affairs as a result of anticipated hearings to contest civil penalties and file injunctions on behalf of the State Fire Marshal. The staffing estimate includes salaries and related benefits (\$122,189) for one Attorney 3 position, maintenance (\$200), office supplies (\$275), telephone (\$300) as well as a one-time cost of a computer and printer (\$2,300) and office furniture (\$1,150). In subsequent fiscal years, this fiscal note assumes a 3% market rate adjustment in salaries and related benefits for permanent staff (total expenditures of \$130,080 in FY 22, \$133,855 in FY 23, \$137,744 in FY 24 and \$141,750 in FY 25). To the degree that these individuals do not receive such adjustments in whole or part, the fiscal exposure would diminish by an indeterminable but minimal amount. The Legislative Fiscal Office (LFO) cannot corroborate the need for an additional T.O. position, and the workload that will manifest is indeterminable. To the degree that requisite hearings and injunctions result in a material workload impact, the need for additional the additional T.O. position may be justified.

DPS estimates the one-time SGF cost of the proposed law of \$58,000 to make coding changes to the Fire Marshal's Information Management System. The LFO believes that any additional IT work associated with this measure will be incremental in nature and the department can potentially accomplish these tasks utilizing existing resources and budget authority. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, the department may require additional resources.

The Office of the State Marshal reports that they will implement the proposed law with existing resources and personnel. However, the number of short-term rental dwelling that will register with the State Fire Marshal under this measure is indeterminable. To the extent there is a substantial number of short-term rental properties that register, or there is a substantial number of complaints on short-term rentals under this measure, the Office of State Fire Marshal may require additional budgetary and/or personnel resources. The LFO anticipates civil fines generated from proposed law will be utilized by the Office of State Fire Marshall to cover expenditures related to implementing this measure at an indeterminable level, but any potential shortfalls are anticipated to be paid from the SGF.

**REVENUE EXPLANATION**

Proposed law will result in an indeterminable increase in self-generated revenues within the Department of Public Safety (DPS), Office of the State Fire Marshal (OSFM). Proposed law authorizes the State Fire Marshal to assess civil fines from \$500 to \$1,000 on owners of short-term rental dwelling for noncompliance. The LFO cannot determine the number of owners of short-term rental dwellings that will be assessed civil fines or anticipate the amount of revenue collected by OSFM from civil fines in future fiscal years.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	<i>Evan Brasseaux</i>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<b>Evan Brasseaux</b> Staff Director