

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 455** HLS 18RS 27

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 26, 2018 3:25 PM	Author: GAROFALO
Dept./Agy.: Dept. of Public Safety/Office of State Fire Marshal	Analyst: Ryan Guidry
Subject: Short-term rental dwellings registration and inspection	

FIRE PROTECT/FIRE MARSHAL OR INCREASE SD EX See Note
Provides with respect to short-term rental dwellings

Proposed law defines "short-term rental" and requires the owner of new or existing short-term rental dwelling to electronically register with the Office of State Fire Marshal. Proposed law provides 5-year registration costs are \$20 for initial registration and \$20 for renewal and annual costs are \$5 for initial registration and \$5 for renewal.

Proposed law provides for the requirement of attestation of certain life safety features, the inspection of short-term rental dwellings, and the imposition of civil penalties.

Proposed law requires the fire marshal to administer and enforce the provisions of proposed law and authorizes the fire marshal to adopt rules or regulations necessary for administration and enforcement of proposed law.

Proposed law requires collected fees and penalties to be deposited into the LA Life Safety and Property Protection Trust Fund.

Effective date: January 1, 2019.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						
REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will increase expenditures in the statutorily dedicated LA Life Safety and Property Protection Trust Fund by \$117,869 in FY 19 and \$78,419 in subsequent fiscal years. To the extent that revenues from fees and penalties generated by proposed law are available, expenditures will be made from the LA Life Safety and Property Protection Trust Fund. However, if new fees and penalties along with existing sources deposited into the La Life Safety and Property Protection Trust Fund are insufficient to cover any additional costs, the Office of State Fire Marshal would require an appropriation from an alternate source (presumed to be SGF or SGF equivalent).

The Office of State Fire Marshal (OSFM) reports implementation of proposed law would require one additional T.O. position for an Administrative Program Specialist B. This position would be responsible for the increased workload related to short-term rental dwelling registrations. Compliance will require an extensive and ongoing effort covering a large number of rentals over the entire state. The projected annual expenditure for this position, including salary, related benefits, and all operating and supply costs, is \$78,419. Additionally, one-time expenditures of \$3,450 dollars are required in FY 19 for office furniture and a computer.

Furthermore, OSFM reports proposed law will require one-time changes to the Information Management System in the amount of \$36,000 to add the electronic registration form and make additional changes.

REVENUE EXPLANATION

Proposed law will increase revenues for the statutorily dedicated LA Life Safety and Property Protection Trust Fund by an indeterminable amount. Proposed law requires the electronic registration of short-term dwelling rentals with OSFM, with 5-year registration and renewal fees set at \$20 each or an annual registration and renewal fees set at \$5 each. The number of short-term dwelling rentals in the state is unknown. Revenues derived from these fees will be deposited into the LA Life Safety and Property Protection Trust Fund.

Additionally, proposed law authorizes OSFM to impose civil penalties on those owners who fail to register a short-term dwelling rental. To the extent that these civil penalties are imposed and collected, additional revenue will accrue to the LA Life Safety and Property Protection Trust Fund.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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