



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 360** HLS 21RS 465  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 7, 2021	8:58 AM	<b>Author:</b> JOHNSON, TRAVIS
<b>Dept./Agy.:</b> Public Safety, State Fire Marshal		
<b>Subject:</b> Registration of Short-Term Rental Dwellings		<b>Analyst:</b> Patrice Thomas

FIRE PROTECT/FIRE MARSHAL OR INCREASE SD RV See Note Page 1 of 1  
 Provides relative to the registration of short-term rental dwellings with the office of state fire marshal

Proposed law prohibits an owner of a short-term rental dwelling unit from using a platform (website or online listing service) to complete a booking transaction (rental agreement) unless the owner has registered the unit with the Office of State Fire Marshal within the Department of Public Safety. Proposed law requires registration to be submitted electronically, on forms developed by the State Fire Marshal, either annually or every 5 years. Registration includes the owner's attestation of certain life safety features present in the short-term rental. Under proposed law, registration fees are as follows: (1) \$5 initial annual registration; (2) \$5 annual renewal; (3) \$20 initial 5-year registration; and (4) \$20 5-year renewal. If an owner fails to register, proposed law provides for the following civil penalties: (1) 1st violation is a warning letter; (2) 2nd violation is a civil penalty not to exceed \$500; and (3) 3rd and each subsequent violation is a civil penalty not to exceed \$1,000. Proposed law provides that registration fees and civil penalties are to be deposited into the statutorily dedicated LA Life Safety and Property Protection Trust Fund. Proposed law does not change existing building and safety codes.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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 increase expenditures within the Dept. of Public Safety and Corrections (DPS), Public Safety Services, Office of the State Fire Marshal by \$150,983 in FY 22. The proposed law requires an owner of a short-term rental dwelling to electronically register the dwelling unit with the State Fire Marshal before accepting any booking transaction (rental agreement) from any platform service (website or online listing service). If the owner fails to register, the proposed law authorizes the State Fire Marshal to impose civil penalties.

The State Fire Marshal anticipates this measure will require an additional Administrative Program Specialist B position to maintain initial and renewal registrations, location of short-term rental units, platforms used to solicit bookings, owner's attestations, and owner's contact information. The position estimate includes salaries (\$54,933), related benefits (\$32,825), travel (\$1,000) maintenance (\$200), office supplies (\$275), telephone (\$300) as well as a one-time cost of computer and printer (\$2,300) and office furniture (\$1,150). In subsequent fiscal years, this fiscal note assumes a 2% market rate adjustment in salaries and related benefits for classified staff (total expenditures of \$91,872 in FY 23, \$93,474 in FY 24, \$95,108 in FY 25, and \$96,775 in FY 26).

The number of short-term rental dwelling units 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, the Office of State Fire Marshal may require additional budgetary and/or personnel resources. The LFO anticipates registration fees and civil fines generated from proposed law and deposited in the LA Life Safety and Property Protection Trust Fund 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.

DPS estimates the one-time 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 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.

**REVENUE EXPLANATION**

Proposed law will result in an indeterminable increase in statutory dedications within the Office of the State Fire Marshal (OSFM). Proposed law authorizes the OSFM to assess registration and renewal fees between \$5 - \$20 per short-term rental dwellings as well as civil fines from \$500 to \$1,000 on owners for noncompliance. Monies from fees and civil penalties will be deposited into the LA Life Safety and Protection Trust Fund. The LFO cannot determine the number of owners of short-term rental dwellings that register or will be assessed civil fines or anticipate the amount of revenue collected by OSFM from registration fees and civil fines in future fiscal years.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	 <b>Alan M. Boxberger</b> Staff Director
<input checked="" 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}	