

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 457** HLS 26RS 209
 Bill Text Version: **RE-REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 25, 2026	5:15 PM	Author: KNOX
Dept./Agy.: LDH/Office of State Fire Marshal		Analyst: Cristian Nedelea
Subject: Minimum housing standards for homelessness		

HOMELESS Page 1 of 2
 RR1 SEE FISC NOTE GF EX See Note
 Establishes minimum housing standards for individuals experiencing homelessness

Proposed law requires the Louisiana Department of Health (LDH), in consultation with the state fire marshal, to promulgate rules to establish minimum housing standards for emergency shelters, community facilities, unlicensed group homes, and halfway houses that provide housing or shelter to individuals experiencing homelessness for use by local and parish governing authorities for permitting or approval purposes. It requires the minimum housing standards to consider critical aspects such as safety, sanitation, privacy, and habitability. Proposed law provides that promulgated rules shall not conflict with federal law requirements. Proposed law provides that the Office of the State Fire Marshal (OSFM) may assist in the implementation of the provisions of this legislation by conducting annual inspections of emergency shelters, community facilities, group homes, and halfway houses to ensure the housing facilities available to individuals experiencing homelessness are safe and sanitary. Proposed law requires LDH to examine the feasibility of submitting waivers to the Centers for Medicare and Medicaid Services to obtain funding to provide healthcare and housing services to individuals experiencing homelessness. The requirements of this legislation shall not apply to a privately owned residence, church, or place of worship that is operated exclusively for charitable purposes and does not charge residents a fee, rent, or require any other compensation for occupancy and which exists solely to provide free emergency or transitional housing.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	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	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law may result in an indeterminable increase in SGF expenditures within the Office of the State Fire Marshal (OSFM) in FY 27 and future fiscal years. Proposed law provides that the OSFM may assist with the implementation of the requirements of this legislation by conducting annual inspections to ensure safety and cleanliness of emergency shelters, community facilities, group homes, and halfway houses for individuals experiencing homelessness.

To the extent the OSFM assists with the provisions of proposed law, the OSFM anticipates an increase of up to \$676,074 in SGF expenditures in FY 27, with costs increasing in future fiscal years. The cost is associated with the addition of up to five (5) State Fire Marshal Deputy 2 T.O. positions, along with associated operating, professional services, and equipment costs. Additionally, OSFM indicates that the Office of Legal Affairs anticipates an additional expense of \$4,267 (including Medicare tax) to account for 80 hours of overtime at \$52.58 per hour for an Attorney 4 to develop and implement necessary rules, policies, or procedures associated with this legislation: \$4,267 = 80 hours overtime x \$52.58 per hour + \$61 Medicare tax (at 1.45%).

The OSFM indicates that it does not currently inspect facility types covered under the proposed legislation, which are not typically built to current commercial building codes. Implementation would likely require initial inspections, follow-up inspections, plan submittals, and ongoing annual inspections that may be required for these facilities. The agency estimates that the number of inspections for these structure types could double or triple, although the exact increase remains indeterminable. In FY 25, OSFM conducted 89,134 inspections of all structures in the state, including shelters, group homes, and halfway houses using sixty (60) deputies assigned to the inspection unit. The OSFM estimates a three to five times increase in the number of group homes and halfway houses to accommodate the homeless population, resulting in a corresponding increase in required inspections.

NOTE: The LFO is unable to corroborate the estimated staffing level, operating expenses, professional services, and equipment costs projected by the OSFM. While the LFO acknowledges that proposed law will result in increased workload for the OSFM, to the extent the required staffing levels may be lower or higher, corresponding operating costs would shift accordingly. To the extent that a portion of the prescribed duties can be absorbed by existing staff and budgetary resources, a portion of the projected costs may be mitigated. Should additional information regarding estimated expenditures become available, this fiscal note will be updated.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<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}

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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Personnel Services (\$512,448 SGF):

The OSFM estimates that salaries and related benefits associated with the addition of five (5) State Fire Marshal Deputy 2 T.O. positions to conduct annual inspections will total \$508,181, including \$336,721 in salaries and overtime, and \$171,460 in related benefits, beginning in FY 27. A 3% growth factor is applied to salaries in subsequent fiscal years. Additionally, the OSFM indicates that the Office of Legal Affairs anticipates an additional expense of \$4,267 in FY 27 to account for 80 hours of overtime for an Attorney 4 to develop and implement necessary rules, policies, or procedures associated with this legislation.

Operating Expenses (\$117,936 SGF):

The OSFM anticipates operating expenses of \$117,936 in FY 27 and future fiscal years, including: (1) \$2,750 in office supplies and \$1,250 in miscellaneous supplies; (2) \$30,000 in travel expenses to conduct inspections; (3) \$83,936 in internal procurement management (IPM) financing and maintenance costs for vehicles for the five (5) State Fire Marshal Deputy 2 T.O. positions.

Professional Services (\$40,000 SGF):

The OSFM anticipates professional service expenses of \$40,000 in FY 27 and future fiscal years associated with training to conduct required inspections. Currently, State Fire Marshal Senior Deputies handle the type of inspection required by this legislation. Due to the potential increase in workload, both the requested new personnel and existing non-senior level inspectors would need to participate in and successfully complete training for commercial residential dwellings. The OSFM would need to create this training and the corresponding criteria would need to be established.

Equipment Costs (\$9,957 SGF):

The OSFM further estimates equipment costs of \$9,957 in FY 27 and future fiscal years, including telephones \$1,680 (\$28 x 5 x 12 months), cellphones \$2,947 (\$49.12 x 5 x 12 months), and laptops \$1,965 (\$32.75 x 5 x 12 months). A one time cost of \$3,365 is for monitors and docking stations.

EXPENDITURES

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personnel Services					
Five (5) T.O. Positions	\$508,181	\$516,148	\$528,748	\$541,726	\$555,093
Attorney 4	\$4,267	\$0	\$0	\$0	\$0
Operating Expenses	\$117,936	\$117,936	\$117,936	\$117,936	\$117,936
Professional Services	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Equipment*	\$9,957	\$6,592	\$6,592	\$6,592	\$6,592
Total Expenditures	\$680,341	\$680,676	\$693,276	\$706,254	\$719,621
T.O.	5	5	5	5	5

*FY 27 includes a one time equipment cost of \$3,365.

The Louisiana Department of Health (LDH):

The LDH Health Standard Section indicates there is no anticipated direct material effect on LDH expenditures as a result of this measure. Proposed law requires LDH, in consultation with OSFM, to promulgate rules to establish minimum housing standards that consider safety, sanitation, privacy, and habitability for emergency shelters, community facilities, group homes, and halfway houses.

Proposed law requires LDH to examine the feasibility of submitting waivers to the Centers for Medicare and Medicaid Services to obtain funding for healthcare and housing services for individuals experiencing homelessness. Any such successful waiver application would be speculative and is not included in this fiscal note.

Senate Dual Referral Rules

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

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

House

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

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

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