

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1109** HLS 16RS 1698

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 2, 2016 7:54 AM	Author: HOFFMANN
Dept./Agy.: Public Safety/State Fire Marshal	Analyst: Zachary Rau
Subject: Water Boiler Regulation Revisions	

FIRE PROTECT/FIRE MARSHAL

OR DECREASE SG RV See Note

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Provides for the revision and creation of regulations relative to certain water boilers

Proposed law allows the Office of the State Fire Marshal (OSFM) to license third-parties to perform inspections of certain water boilers. Proposed law includes license requirements for third-parties wishing to perform inspections of water boilers. Proposed law creates two types of endorsements for water boiler inspection: (1) new construction and (2) in-service. Proposed law defines "new construction" and "in-service" inspections. Proposed law allows the OSFM to issue penalties of up to \$5,000 per violation for firms violating provisions of present law or proposed law. Proposed law provides a license and penalty schedule for third-party inspectors. Proposed law provides that all fees associated with third-party inspector licensing are non-refundable except when certain conditions apply and must be used to defray the cost of employment of boiler and pressure vessel inspectors. Proposed law exempts potable water boilers with a capacity of 120 gallons or less and a rating of 200,000 BTUs or less from inspections every two years. Proposed law repeals provisions associated requiring the printing and distribution of certain rules and exempting commercial potable water boilers of 50 gallons or less from inspection fees.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$140,000	\$0	\$0	\$0	\$0	\$140,000
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	\$140,000	\$0	\$0	\$0	\$0	\$140,000

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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						

EXPENDITURE EXPLANATION

Proposed law will result in a one-time increase in SGF expenditures for the Office of the State Fire Marshal (OSFM). The department reports that provisions in proposed law associated with licensing and registration, such as license tracking and renewal information, will require programming and coding changes for the vendor-supported OSFM Information Management System. Dept. of Public Safety staff report estimated costs of \$140,000 for the vendor to update the OSFM Information Management System.

REVENUE EXPLANATION

Proposed law will result in a decrease in SGR for the Office of the State Fire Marshal (OSFM) by an indeterminable amount. Proposed law exempts potable water boilers from inspection provided they have a capacity of 120 gallons or less and if rated at 200,000 British Thermal Units (BTUs) or less. For reference, the OSFM reports that it collected approximately \$376,000 in fees associated with conducting these inspections in FY 15. However, because the exact number of boilers that will no longer be inspected is unknown, the exact revenue decrease is indeterminable.

Proposed law will also increase SGR by an indeterminable amount, though the increase will not be sufficient to offset the aforementioned SGR decrease associated with certain water boiler inspections. The SGR increase is associated with establishing for initial license endorsements and license renewals for third-party inspections of new construction and in-service inspections of water boilers by firms and individuals. Initial new construction and in-service license endorsements for firms cost \$250 with a renewal fee of \$50. Initial new construction and in-service license endorsements for individuals cost \$100 with a renewal fee of \$50. Furthermore, proposed law provides for additional renewal late fee penalties, reinstatement of license fees, and duplicate license fees ranging from \$20 to \$120. Because the number of licenses, penalties, reinstatements, and duplicate licenses the OSFM will issue in a given year is unknown, the exact revenue increase is indeterminable. For reference, based upon data obtained by the OSFM, the estimated revenue increase totals approximately \$29,000 and would not be sufficient to offset other SGR lost by no longer inspecting certain water boilers.

Senate Dual Referral Rules House

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| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input checked="" 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} |

Evan Brasseaux

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