

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 471** HLS 17RS 799
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 24, 2017 3:47 PM	Author: FOIL
Dept./Agy.: Dept. of Public Safety/Office of the State Fire Marshal	Analyst: Zachary Rau
Subject: Expansion of Manufactured and Modular Housing Law	

HOUSING/MANUFACTURED EGF SEE FISC NOTE SD RV See Note Page 1 of 1
 Provides relative to manufactured and modular housing

Proposed law expands present law regarding manufactured housing to include modular housing. Proposed law defines "modular home." Proposed law requires all retailers and developers to have one licensed salesman. Proposed law requires transporters of manufactured and modular housing to show proof of \$100,000 in ongoing liability coverage. Proposed law alters the allocation of seats on the LA Manufactured Housing Commission. Proposed law places transporters of manufactured and modular housing under the authority of the LA Manufactured Housing Commission. Proposed law amends present law and states that the LA Manufactured Housing Commission may hire an executive director at their discretion. Proposed law increases civil penalties to \$2,500, or \$5,000 if the violation is habitual or intentional. Proposed law provides that the person in violation may bear any costs of the commission while investigated the violation. Proposed law expands present law to dealers and agents. Proposed law repeals provisions for a manufactured housing broker's license and the associated fee. Proposed law creates a new license for transporters of modular and manufactured housing and includes a fee of \$125 and a permit sticker fee for \$20. Proposed law makes technical changes.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$60,000	\$0	\$0	\$0	\$0	\$60,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	<u>\$0</u>
Annual Total						

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	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>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will create a one-time SGF expenditure for the Dept. of Public Safety estimated to be \$60,000 in FY 18 for alterations to the Fire Marshal Information Management System to allow for the new "transporter" license category. The alterations to the system will be performed by the Office of Technology Services, who DPS will reimburse for any costs incurred while updating the system. In addition, the OSFM states that the LA Manufactured Commission does not currently have an executive director, is not funded for one, and does not have an associated T.O. position. As a result, making the hire of the executive director permissive will have no material effect on the OSFM.

REVENUE EXPLANATION

Proposed law will increase statutorily dedicated collections deposited into the LA Manufactured Housing Commission Fund for the Dept. of Public Safety, Office of the State Fire Marshal (OSFM) by an indeterminable amount as a result of a new annual license fee and increase in civil penalty amounts for the LA Manufactured Housing Commission. The proposed law additionally repeals the obsolete manufactured housing brokers license and the associated fee.

The proposed law creates a new annual license for transporters of manufactured and modular housing with a license fee of \$125 and a permit sticker fee of \$20. Potential annual revenues associated with the new license are indeterminable because the number of persons who may seek licenses is unknown.

Furthermore, the proposed legislation increases civil penalties for installers, transporters, and others governed by the Manufactured and Modular Housing law by \$1,500, from \$1,000 per violation to \$2,500 per violation. Furthermore, proposed law includes language allowing the LA Manufactured Housing Commission to double penalty amounts, up to \$5,000 per violation, to the extent the commission determines the violation was intentional or was committed by a repeat offender. The number of penalties that may occur in a given year is unknown, therefore the associated revenue increase is indeterminable. For reference, the LA Manufactured Housing Commission issued 140 civil penalties and collected \$43,800 in civil penalty revenue in FY 16.

In addition, proposed law repeals licensing requirements for brokers of manufactured and modular housing. The OSFM reports no revenue loss associated with the repeal of this license requirement, as there are currently no active manufactured housing brokers licenses in LA.

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}

Evan Brasseaux
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Staff Director