



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 457** HLS 26RS 209
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | | |
|--|---------|----------------------------------|
| Date: April 7, 2026 | 7:15 PM | Author: KNOX |
| Dept./Agy.: LDH/Office of State Fire Marshal | | Analyst: Cristian Nedelea |
| Subject: Minimum housing standards for homelessness | | |

HOMELESS OR INCREASE GF EX See Note Page 1 of 2
 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, group homes, and halfway houses. 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 directs the Office of the State Fire Marshal (OSFM) to 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 seek federal waivers to obtain funding for healthcare and housing services for individuals experiencing homelessness.

| EXPENDITURES | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 5 -YEAR TOTAL |
|---------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| State Gen. Fd. | \$676,074 | \$680,676 | \$693,276 | \$706,254 | \$719,621 | \$3,475,901 |
| 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 | \$676,074 | \$680,676 | \$693,276 | \$706,254 | \$719,621 | \$3,475,901 |
| 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 is anticipated to create an indeterminable increase on SGF expenditures in FY 27 and future fiscal years within the Office of the State Fire Marshal (OSFM). Proposed law requires the OSFM to enforce compliance with 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.

The Office of the State Fire Marshal (OSFM):

The OSFM anticipates an increase of \$676,074 in SGF expenditures in FY 27, with costs increasing in future fiscal years. The cost is associated with the addition of 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 LFO assumes the legal services can be provided by existing staff and resources, but additional resources may be required.

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.

Senate
 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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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Personnel Services (\$508,181 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.

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 |
| 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 | \$676,074 | \$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 directs LDH to submit waivers to the Centers for Medicare and Medicaid Services (CMS) 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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