

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 265** SLS 12RS 32
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 9, 2012 4:52 PM	Author: MORRELL
Dept./Agy.: Department of Public Safety	Analyst: Alan M. Boxberger
Subject: Authorize the fire marshal to condemn certain buildings	

PUBLIC SFTY/CORRECT DEPT EG INCREASE SD EX See Note Page 1 of 1

Authorizes the state fire marshal to condemn and order demolition or removal of certain buildings and structures located in a parish or municipality. (8/1/12)

Proposed law authorizes the state fire marshal to condemn any building or structure that is in a condition that endangers the public welfare; requires the state fire marshal to prepare a written report recommending the commendation of such buildings or structures and to serve notice to the owner of such property; provides for the procedure of serving notice to the owner; requires the owner to publish an announcement listing why such building or structure is blighted and the date when such building will be repaired and no longer considered a danger to the public; requires such announcement to be published without cost to local government in the official journal of the parish or municipality on two separate days within 60 days of receipt of notice and the written report from the state fire marshal; subjects the owner to a \$50 per day penalty, not to exceed \$5,000 per property, for failure to publish the required announcement; provides that any penalties collected be remitted to the Louisiana Blighted Property Reclamation Revolving Loan Fund but does not allow the Department of Public Safety to access the fund for expenditures associated with proposed law.

EXPENDITURES	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW					
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	SEE BELOW					
Annual Total						

REVENUES	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

The proposed law may result in an indeterminate increase in state expenditures. The proposed law may require an increase in the current workload of the enforcement section of the Office of State Fire Marshal (OSFM) and the legal section of the Department of Public Safety (DPS). The workload increase is not anticipated to require additional T.O. positions. The department indicates that it will incur additional expenditures related to filing fees, and in the cases where an attorney would be appointed to represent an absent owner, the department will incur expenditures for appointed attorney fees and related expenses. These expenditures are speculative and depend upon the number of structures to be condemned.

The department estimates that between 5 and 10 cases per year will result from the proposed law, each requiring approximately 10 hours of legal work. To the degree that any increased legal workload could not be absorbed by existing staff, contracted legal services may be required in the form of a private attorney at \$150 per hour to cover costs for travel and production of court research and records. Should the work require contracted legal services, the proposed law could result in an estimated expenditure increase between \$7,500 and \$15,000 annually (\$150 X 5 structures x 10 hours = \$7,500, for 10 structures = \$15,000). These assumptions presuppose that the legislation is intended to impact only commercial buildings and structures.

The number of cases per year will increase substantially if the legislation also applies to residential structures, resulting in an estimated expenditure increase of approximately \$1,500 per structure condemned. To the degree that local parishes and municipalities opt out of enforcing provisions of existing law with respect to condemning buildings and structures, leaving these activities as the responsibility of the OSFM, the state expenditure amount can increase substantially while local expenditures decrease. The activity associated with the proposed law can also be impacted by natural disaster, resulting in dramatic cost increases in the years following a substantial disaster event. The number of additional structures in each of these scenarios is speculative and the potential increase in costs is indeterminable.

To the degree that expenditures may exceed the department's ability to absorb expenditures through existing SGR authority, additional SGF support may be required.

REVENUE EXPLANATION

Proposed law requires that any individual failing to publish a public announcement in the official local journal on two occasions within 60 days as prescribed, shall be subject to a \$50 per day penalty, not to exceed \$5,000 per property. Proposed law stipulates that any such penalty payments shall be deposited into the Louisiana Blighted Property Reclamation Revolving Loan Fund. The potential revenues cannot be estimated because the number of buildings and structures impacted are speculative.

<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 >= \$500,000 Annual Fiscal Cost {S}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<i>Evan Brasseaux</i> Evan Brasseaux Staff Director
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}			