

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 541** HLS 12RS 679

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 3, 2012 1:32 PM	Author: ST. GERMAIN
Dept./Agy.: Department of Public Safety	Analyst: Alan M. Boxberger
Subject: Fire marshal review of plans for health care and residential	

FIRE PROTECT/FIRE MARSHAL EN SEE FISC NOTE See Note Page 1 of 1
Provides for fire marshal review of plans and specifications for health care facilities and residential living options

Present law provides for a charge of \$5 per page for all plans or specifications for hospitals, ambulatory surgical centers, nursing homes, and group or community homes or other residential living options which are submitted for review to the Department of Health and Hospitals (DHH), with a minimum charge of \$25 and a maximum charge of \$300, plus a postage and handling fee of \$10. Proposed law retains present law except authorizes the Office of State Fire Marshal (OSFM) to conduct the review of plans and specifications for the same fee schedule. Proposed law authorizes the OSFM to conduct plan reviews for plans or specifications for facilities licensed or certified by DHH which are submitted for review to OSFM pursuant to rules promulgated, both as to private persons and the state.

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

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW					
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
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

The Office of State Fire Marshal (OSFM) currently performs these plan and specification reviews through a contract with, and on behalf of, the Department of Health and Hospitals (DHH). Proposed law will shift the source of funds related to these expenditures to SGR from IAT within OSFM. The fire marshal estimates that it performs approximately 300 plan reviews annually at a cost of approximately \$250,000 annually. The Department of Health and Hospitals (DHH) will realize a \$250,000 decrease in expenditures as it ceases sending IAT expenditures to OSFM. \$225,000 of DHH's current expenditure is State General Fund and the balance of \$25,000 is from fees charged to local facilities for plan and specification reviews.

Proposed law places responsibility for plan and specification reviews within OSFM and requires that OSFM maintain the current fee schedule used by DHH. DHH does not charge fees to attain full-cost recovery. DHH reports that its total revenue collections associated with plan reviews in FY 11 were approximately \$25,000. DHH currently sends to OSFM by interagency transfer an amount of \$250,000 to contract for plan and specification reviews. OSFM's expenditures should remain stable to the degree that the number of plan reviews conducted annually do not vary greatly. The Legislative Fiscal Office assumes the contract agreement between OSFM and DHH will terminate with passage of the proposed law, resulting in OSFM having to absorb the difference in its current cost of \$250,000 and projected fee collections of \$25,000, or \$225,000, from within its existing resources resulting in a reduction of expenditures from other current operations, or to receive SGF support.

REVENUE EXPLANATION

The Department of Health and Hospitals currently sends \$250,000 (\$225,000 SGF and \$25,000 SGR) to the Office of State Fire Marshal (OSFM) by interagency transfer to perform plan and specification reviews through a contract agreement. The Legislative Fiscal Office assumes this agreement will terminate with passage of the proposed law, resulting in a loss of \$225,000 total revenue for OSFM, as it will be required by law to collect fees equal to those currently collected by DHH for this activity (\$250,000 current revenue by contract with DHH less \$25,000 fee revenue = \$225,000). DHH does not currently charge fees to attain full-cost recovery. DHH reports that its total revenue collections associated with plan reviews in FY 11 were approximately \$25,000 and that amount represents the revenue loss for DHH.

NOTE: The existing contract with DHH for \$250,000 is a flat fee regardless of the number of plan and specification reviews.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	<i>Evan Brasseaux</i>
<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"/> 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 Staff Director