

February 19, 2020

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 151D-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2703 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2703 is respectfully submitted to your committee.

HB 2703 would preempt state agencies, cities, counties, unified governments, townships, or other political subdivisions of the State of Kansas or any homeowner's association or similar entity from adopting or enforcing more stringent building standards and practices than those established by national model codes. The provisions of the bill would not apply to state or federal housing program requirements, state-owned or state-operated buildings and property, and certain buildings designated for historical, cultural, or architectural significance.

Estimated State Fiscal Effect				
	FY 2020 SGF	FY 2020 All Funds	FY 2021 SGF	FY 2021 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$217,200
FTE Pos.	--	--	--	2.00

The League of Kansas Municipalities indicates that enactment of the bill would require cities to use staff time to regularly check all new codes to determine if any are more stringent than national model codes and implement new standards if necessary. However, a fiscal effect cannot be determined because the additional time cities would have to spend to verify that building codes are not more stringent than national model codes is unknown.

The Office of the State Fire Marshal indicates that enactment of the bill would require the adoption of all national building codes. The Office states that cities and counties adopt full plumbing, electrical, and HVAC codes, but that the Office currently adopts only parts of the plumbing and electrical codes that relate to fire and life safety codes referencing sprinkler systems and fire alarm systems. Additionally, the Office currently only adopts national building codes that relate to the Kansas business and economy. The Office also states that adoption of all national model codes would increase the workload of the Division of the Budget, the Department of Administration, and the Office of the Attorney General to review the additional rules and regulations. The Office indicates that enactment of the bill would require the state to adopt all national model codes, which would require \$217,200 from agency fee funds for an additional 2.00 FTE positions in FY 2021. Of this amount, \$150,000 would be for salaries and wages, \$55,000 would be for one-time costs for code materials, and \$12,200 would be for computer, phone, clothing, and training costs. Any fiscal effect associated with HB 2703 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink that reads "L. L. Campbell". The signature is written in a cursive, flowing style.

Larry L. Campbell
Director of the Budget

cc: Jill McCarthy, Office of the Fire Marshal
Trey Cocking, League of Municipalities
Jay Hall, Association of Counties