

M.S.

PREPARED BY: Phil Hovis  
DATE PREPARED: February 07, 2011  
PHONE: 471-0057

LB 546

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB546 amends provisions of the state building code. Among codes currently adopted by reference within the state building code is the International Residential Code (IRC), 2000 edition, published by the International Code Council. LB546 would amend the referenced code to the 2009 edition. Section R313 of the referenced code would be specifically exempted from adoption by this reference. This section relates to requirements for installation of residential fire sprinkler systems.

Current law requires state agency compliance with the state building code. Current law also provides a mechanism for variation from the code. LB546 would authorize a state agency to adopt the IRC Section R313 residential fire sprinkler system requirements under this process of variation from the state building code. The Nebraska Game and Parks Commission indicates the provisions of LB546 may represent implications for residential structures at some of the agency's park and wildlife areas. However, adoption of the IRC Section R313 requirements is uncertain and thus impacts associated with Game and Parks structures are similarly uncertain.

LB546 would also authorize, but not require, political subdivisions to adopt the IRC Section R313 residential fire sprinkler system requirements. The State Fire Marshal indicates that it is unknown how many cities might act to adopt these provisions; however, the agency applies certain assumptions to arrive at definitive estimated LB546 impacts in terms of plumber/pipe fitter licensure fee revenue, plan review fee revenue as well as expenses associated with related testing, licensing and plan reviews. However, any related impacts are heavily dependent upon unknown actions of political subdivisions to adopt the IRC Section R313 residential fire sprinkler system requirements. The number of political subdivisions that might adopt the requirements, which political subdivisions might adopt them, and the timing of adoption of the requirements will apparently affect any estimated impact of LB546 significantly. Given this significant uncertainty, any related impacts upon the State Fire Marshal could seemingly be addressed through consideration of deficit or regular biennium appropriations in response to the actions political subdivisions may take in regard to adopting IRC Section 313 residential fire sprinkler requirements.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	1/31/11	PHONE 471-2526
COMMENTS			
STATE FIRE MARSHAL – Agency's estimate appears to be reasonable.			
GAME AND PARKS COMMISSION - Agency's estimate appears to be reasonable.			
STATE COLLEGE SYSTEM - Agency's estimate appears to be reasonable.			
UNIVERSITY OF NEBRASKA – Concur.			
ADMINISTRATIVE SERVICES – Concur.			

# FISCAL NOTE LB546

## State Fire Marshal

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JAN 31 2011  
LEGISLATIVE FISCAL

Prepared By	Wann, Cathy
Date Prepared	1/27/2011
Prepared Phone	402-471-9479

### Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	18,492			
Cash Funds	18,492	48,509	68,467	97,019
Federal Funds				
Other Funds				
<b>Total Funds</b>	<b>36,975</b>	<b>48,509</b>	<b>68,467</b>	<b>97,019</b>

#### Explanation of Estimate:

We know that there are currently 3,620 plumbers and pipefitters licensed throughout cities in Nebraska. We also know that in 2010, there were 5,215 new residences built in cities that required a permit to build. We do not know how many cities will opt in to the fire sprinkler requirement, which makes it difficult to estimate how this fiscally impacts the State Fire Marshal Agency.

If we make the argument that 1/4 of the plumbers will want to be licensed in order to install automatic residential fire sprinkler systems in new residential buildings, the plumbers would be required to test once and pay a licensing fee annually. The current fee to license is \$100. 905 plumbers (1/4 of 3,620) times the \$100 fee annually equals \$90,500.

A plan review is required for the automatic residential fire sprinkler system. This LB mandates the system in all new residents. If we use the one-fourth assumption again, we would review an additional 1,304 plans annually. Based on our current fee of \$5.00, we would collect \$6,518.75 annually for the plan reviews. We do not review plans for delegated authority cities (Bellevue, Lincoln, Omaha, Norfolk, Grand Island, North Platte, Scottsbluff) and would not receive any income for those reviews.

One additional FTE would be required to review the additional plans, test and license the plumbers applying for certification. A part-time FTE is requested to assist with logging in the plans to be reviewed, receipting in and depositing the fees to the correct account, sending out certifications and licenses, and other necessary support functions. Estimates for the FTE benefits are per the AS 2011-2013 Budget Instructions. Health insurance was figured for 2/4 party. Operating costs are internet, email, IT services, and phones.

One-half of the first half year expenses is requested as start-up funds from General Funds.

The estimate for FY 2011-12 is based on a half year of revenues and expenses.

#### Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
Fire Marshal Plans Examiner	.5	1	17,604	35,208
Secretary	.25	.5	6,006	12,011
		Benefits	12,374	19,248
		Operating	1,000	2,000
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		<b>Total</b>	<b>36,984</b>	<b>68,467</b>

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2011

Please complete ALL (5) blanks in the first three lines.

LB <sup>(1)</sup> 546 FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Game and Parks Commission

Prepared by: <sup>(3)</sup> Patrick H. Cole Date Prepared: <sup>(4)</sup> January 31, 2011 Phone: <sup>(5)</sup> (402) 471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

The proposed legislation makes changes to the state building code. The edition of the International Residential Code is updated from 2000 to the 2009.

Some of the code changes within the 2009 edition call for fire sprinklers in residential construction. We have a number of residential structures at some of our park and wildlife areas that house on-site management staff.

The changes in the code would make these units subject to the new requirements. It is currently unknown at what point a proposed renovation/repair/remodel project might trigger the need for the addition of sprinkler systems in these residences. Additional expenses would be incurred to meet the fire sprinkler and water distribution system requirements when applicable projects occurred. It is estimated that the additional expenses would be approximately \$10,000 per structure depending upon the current water distribution system. No definitive estimate is determinable at this time since it will depend on when or if triggering projects are proposed.

MAJOR OBJECTS OF EXPENDITURE

Personal Services

POSITION TITLE	NUMBER OF POSITIONS		2011-2012	2012-2013
	11-12	12-13	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

# FISCAL NOTE LB546

## Nebraska State College System

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JAN 31 2011

LEGISLATIVE FISCAL

Prepared By	Murphy, Carolyn
Date Prepared	1/28/2011
Prepared Phone	402-471-2505

### Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	**Minimal**		**Minimal**	
Cash Funds				
Federal Funds				
Other Funds				
<b>Total Funds</b>	<b>**Minimal**</b>		<b>**Minimal**</b>	

**Explanation of Estimate:**

LB 546 would update the International Residential Code from the 2000 version to the 2009 version. The NSCS is not aware of changes in the 2009 version of the IBC that would have a significant fiscal impact on the NSCS. For the few buildings that the NSCS has that are subject to the International Residential Code, any changes will be dealt with in planning for any future building renovations. Therefore the fiscal impact is estimated to be minimal.

### Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures

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**LB<sup>(1)</sup> 546 FISCAL NOTE**

State Agency OR Political Subdivision Name: University of Nebraska  
 (2)

Prepared by: (3) Michael Justus Date Prepared: (4) January 28, 2011 Phone: (5) 472-2191

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

A bill dealing with residential construction, which would therefore have no fiscal impact on the University.

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
	11-12	12-13		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

# 2011 Legislative Bill Proposal Fiscal Note

**RECEIVED**  
JAN 28 2011  
LEGISLATIVE FISCAL

Bill #: LB 546

State Agency: Administrative Services

Prepared by: Dennis Summers

Date Prepared: 1/26/2011

Phone: 402-471-8351

Approved by:

## Estimate of Fiscal Impact – State Agencies

	FY 2011-12		FY 2012-13	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
<b>Total Funds</b>	0	0	0	0

**Explanation of Estimate:** The proposed bill updates the State Building Code by replacing the 2000 edition of the ICC Residential Code with the 2009 edition, with a section relating to fire sprinklers in residences omitted. Generally, the building projects managed by AS State Building Division (SBD) or 309 Task Force are commercial or institutional occupancies, so those projects are governed by the International Building Code, rather than the Residential Code.

However, SBD and 309 Task Force will be required to update our code libraries and provide some training for our professional staff relating to the update. The expenditures for materials and training are estimated to be \$1,500 for SBD and \$250.00 for 309 Task Force for a total of \$1,750.00. The additional \$1,750.00 in expenses could be absorbed by the programs without additional appropriation(s). Otherwise the update presents no quantifiable fiscal impact for Administrative Services.

## Major Objects of Expenditure

**Personal Services:**

Position Title:	Number of Positions			2011-12	2012-13
	11-12	12-13		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
<b>TOTAL</b>	0	0	0	0	0