



February 12, 2024

SUMMARY OF BILL AS AMENDED (013556): Requires the State Fire Marshal (SFM) or appropriate state entity to conduct a requested inspection of new construction or the renovation of an existing building within three business days of the receipt of the request. Requires an inspection done in connection with a certificate of occupancy to be completed within five business days of the receipt of the request. Requires the Commissioner of the Department of Commerce and Insurance (DCI) to promulgate rules for resolving disputes that arise during the request for such inspections regarding the application of the rules adopted under the official construction safety standards.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Expenditures –

\$342,500/FY24-25/General Fund

\$332,800/FY25-26 and Subsequent Years/General Fund

\$358,200/FY24-25/Health Facilities Commission

\$348,600/FY25-26 and Subsequent Years/

Health Facilities Commission

Other Fiscal Impact – To the extent that current revenue is not sufficient to cover the cost of additional expenditures of the Health Facilities Commission, the commission may increase fees to cover the additional expenditures.

Assumptions for the bill as amended:

State Fire Marshal:

- Pursuant to Tenn. Code Ann. § 68-120-101, the SFM establishes minimum statewide building construction safety standards. Such standards shall be designed to afford a reasonable degree of safety to life and property from fire and hazards incident to the design, construction, alteration and repair of buildings or structures.
- Pursuant to Tenn. Code Ann. § 68-120-101(f)(1)(C), an inspection shall be considered timely if it is performed within three working days of when the request is made to the inspector. However, such timeline applies only to inspections of one- and two-family buildings
- Given the number of inspections needed across the state, requiring inspections be completed within three business days of the receipt of the request or five business days

in connection with a certificate of occupancy receipt of request will require additional resources.

- According the SFM, to accommodate the time frame the SFM will require four additional positions (3 Fire and Building Code Inspectors 2 positions, 1 Administrative Services Assistant 2 position) beginning in FY24-25.
- The recurring increase in state expenditures associated with salaries and benefits is as follows:

Title	Salary	Benefits	# Positions	Total
Fire and Building Code Inspector 2	\$53,100	\$16,417	3	\$208,552
Administrative Services Assistant 2	\$53,100	\$16,417	1	\$69,517
			Total:	\$278,069

- Additional recurring increase in state expenditures associated with the positions is estimated to be \$54,789 {[((\$5,000 administrative costs + \$300 computer cost + \$1,600 System Access communications + \$530 cell phones + \$8,533 vehicles leases) x 3 positions] + [(\$5,000 administrative costs + \$300 computer cost + \$1,600 System Access communications) x 1 position]}.
- The one-time increase in state expenditures associated with the positions is estimated to be \$9,600 [(\$1,650 computer x 4 positions) + (\$1,000 tablet x 3 positions)].
- A total one-time increase in state expenditures to the SFM office of \$342,458 (\$278,069 salary & benefits + \$9,600 one-time position cost + \$54,789 recurring cost) in FY24-25.
- A total recurring increase in state expenditures to the SFM office estimated to be \$332,858 (\$278,069 salary & benefits + \$54,789 recurring cost) in FY25-26 and subsequent years.
- Pursuant to Tenn. Code Ann. § 68-120-101(f)(2)(B), the SFM is required to establish a fee schedule to pay the costs incurred for administration and enforcement of building inspections. However, according to DCI, these fees do not apply to commercial inspections and the expenditures will be funded through the General Fund.
- Currently, under title § 68-120-401 the Commissioner of DCI has the authority to promulgate rules for resolving disputes regarding the application of the rules adopted under the construction and safety standards that arise during the review of plans or the inspection of construction by DCI.
- Adding a request for inspection of construction or renovation of an existing building to the rules under which DCI can currently promulgate for resolving disputes can be handled within existing DCI resources.

Health Facilities Commission:

- The proposed legislation applies to inspections of new construction or the renovation of an existing building that must be conducted by the SFM or another state agency, department, or entity.
- Pursuant to Tenn. Code Ann. § 68-11-202 the HFC has the authority to conduct life and safety inspections for health facilities under the Commission’s authority to license. Therefore, it is assumed that the legislation will apply to inspections conducted by the Health Facilities Commission (HFC).
- Given the number of inspections needed across the state, requiring inspections be completed within three business days of the receipt of the request or five business days

in connection with a certificate of occupancy receipt of request will require additional resources.

- Based on information provided by the HFC, to accommodate the time frame the HFC will require four additional positions (3 Fire and Building Code Inspector 2 positions, 1 Fire and Building Code Inspector Supervisor 1 position) beginning in FY24-25.
- The recurring increase in state expenditures associated with salaries and benefits is as follows:

Title	Salary	Benefits	# Positions	Total
Fire and Building Code Inspector 2	\$53,100	\$16,417	3	\$208,552
Fire and Building Code Inspector Supervisor 1	\$66,600	\$18,657	1	\$85,257
			Total:	\$293,809

- Additional recurring increase in state expenditures associated with the positions is estimated to be \$54,789 {[((\$5,000 administrative costs + \$300 computer cost + \$1,600 System Access communications + \$530 cell phones + \$8,533 vehicles leases) x 3 positions] + [(\$5,000 administrative costs + \$300 computer cost + \$1,600 System Access communications) x 1 position]}.
- The one-time increase in state expenditures associated with the positions is estimated to be \$9,600 [(\$1,650 computer x 4 positions) + (\$1,000 tablet x 3 positions)].
- A total one-time increase in state expenditures to HFC of \$358,158 (\$293,809 salary & benefits + \$9,600 one-time position cost + \$54,789 recurring cost) in FY24-25.
- A total recurring increase in state expenditures to HFC estimated to be \$348,558 (\$293,809 salary & benefits + \$54,789 recurring cost) in FY25-26 and subsequent years.
- Pursuant to Tenn. Code Ann. § 68-11-216(b) it is the intent of the General Assembly that the HFC establish and collect fees in an amount sufficient to pay the costs of operating the commission, including, but not limited to, licensure and inspection costs.
- To the extent that current revenue is not sufficient to cover the cost of the additional expenditures, HFC may increase fees to cover the new expenditures.

IMPACT TO COMMERCE OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumption:

- The proposed legislation will not result in a significant impact to commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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