

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 722 (Senator Conway)
 Education, Health, and Environmental Affairs

Public Safety - Light Frame Combustible Construction - Requirements

This bill requires the Department of Housing and Community Development (DHCD) to adopt by regulation statewide building codes concerning fire safety features for specified buildings over three stories high that are constructed with light frame combustible construction. The bill prohibits a multifamily construction project that uses light frame combustible methods from proceeding unless a fire watch warden certified by the Office of the State Fire Marshal (OSFM) within the Department of State Police is present 24 hours a day. OSFM may assess administrative fees against developers and owners to recoup any administrative costs it incurs. Finally, the bill requires DHCD to adopt regulations related to affixing an identifying emblem to the front of each exterior entrance of structures that utilize light frame combustible construction to clearly communicate that the structure is known to pose a fire hazard. DHCD must adopt all required building codes and regulations by October 1, 2018.

Fiscal Summary

State Effect: General fund expenditures increase by \$48,800 in FY 2018 for OSFM to hire one administrative aide to assist with implementing the bill’s requirements. Future years reflect annualization. General fund revenues increase correspondingly as OSFM assesses administrative fees in order to recoup administrative expenses.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
GF Revenue	\$48,800	\$60,500	\$63,500	\$66,600	\$69,900
GF Expenditure	\$48,800	\$60,500	\$63,500	\$66,600	\$69,900
Net Effect	\$0	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local expenditures likely increase in order to adopt and enforce additional building standards. The impact of the bill on local revenues from building permit fees is unknown. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Meaningful.

Analysis

Bill Summary: “Light frame combustible construction” under the bill has the same meaning as “light frame wood construction” as defined in the International Building Code (IBC). IBC defines “light frame wood construction” as a type of construction in which the vertical and horizontal structure elements are primarily formed by a system of repetitive wood-framing members.

The bill requires DHCD to adopt a number of regulations related to buildings that are constructed using light frame combustible material by October 1, 2018. For instance, a building that has more than three stories and that was constructed using light frame combustible material must contain specified types of fire barriers and an automatic sprinkler system installed throughout the structure.

The developer or owner of the construction project must hire, train, and compensate the fire watch warden and any related expenses. A fire watch warden must maintain specified records and submit them to OSFM on a weekly basis. The State Fire Marshall may take appropriate action to abate any fire safety issues that arise during an affected construction project, including requesting that the appropriate local enforcement agency revoke the construction permit for the project.

Current Law: DHCD is required to adopt, as the Maryland Building Performance Standards (MBPS), the most recent version of IBC, including the International Energy Conservation Code (IECC), along with applicable modifications authorized in Title 12 of the Public Safety Article. Within 12 months of the release of each new version of IBC, DHCD is required to review the new version, consider modifications, and adopt specified modifications related to energy conservation and efficiency. DHCD is prohibited from adopting any modification that is more stringent than IBC, except that an energy conservation requirement may be more stringent than IECC. DHCD and local governments may also adopt by regulation the International Green Construction Code.

A local jurisdiction may adopt local amendments to MBPS if the local amendments do not (1) prohibit the minimum implementation and enforcement activities required by State law; (2) weaken the energy conservation and efficiency provisions; (3) except for specified exceptions, weaken the automatic fire sprinkler systems provisions for townhouses and one- and two-family dwellings; or (4) weaken the wind design and wind-borne debris provisions contained in the standards. If a local amendment conflicts with MBPS, the local amendment prevails in the local jurisdiction. A local jurisdiction that adopts a local

amendment is required to ensure that the local amendment is adopted in accordance with applicable local law.

Local governments are responsible for the implementation and enforcement of MBPS, which includes, at a minimum, (1) review and acceptance of appropriate plans; (2) issuance of building permits; (3) inspection of work authorized by the building permits; and (4) issuance of appropriate use and occupy certificates. Any modification of MBPS adopted by the State must be implemented and enforced by a local jurisdiction no later than six months after the modifications are adopted by the State.

Under Maryland’s Public Safety Article, in a jurisdiction in which building permits are issued, a sprinkler system must be installed in (1) each newly constructed dormitory, hotel, lodging, or rooming house, or multifamily residential dwelling for which the initial building permit is issued on or after July 1, 1990, and (2) each newly constructed townhouse for which the initial building permit is issued on or after July 1, 1992. Dwelling units not serviced by public water systems are exempt from the requirement to have a sprinkler system.

Background: DHCD currently incorporates by reference the 2015 IBC, including the 2015 IECC, with modifications, as MBPS. In general, the standards apply to all buildings and structures within the State for which a building permit application is received by a local government.

The International Code Council (ICC) develops and publishes IBC. ICC was established in 1994 as a nonprofit organization dedicated to developing a single set of comprehensive and coordinated national model construction codes, including IBC, which has been adopted by all 50 states as well as thousands of local jurisdictions.

State Fiscal Effect: General fund expenditures for OSFM increase by \$48,812 in fiscal 2018, which accounts for the bill’s October 1, 2017 effective date. This estimate reflects the cost of hiring one administrative aide to collect, sort, and file the reports required under the bill and to notify jurisdictions in the State where reports have been received so that the jurisdictions can respond to audits or perform inspections as necessary. In addition, the aide is responsible for managing the issuance of licenses and maintaining files. The cost includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

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Salary and Fringe Benefits	\$43,703
Equipment/Operating Expenses	<u>5,109</u>
Total FY 2017 State Expenditures	\$48,812

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses.

General fund revenues increase correspondingly, assuming that OSFM assesses administrative fees in order to recoup administrative expenses, as authorized by the bill. It is assumed that DHCD can adopt the required regulations with existing resources.

Local Fiscal Effect: As local jurisdictions are responsible for the implementation and enforcement of building standards, affected local jurisdictions likely incur additional costs to ensure that affected buildings comply with the bill's requirements. It is possible that building permit fee revenues collected by some local jurisdictions could be affected. However, any such impact is speculative.

Small Business Effect: Small construction companies and developers involved with affected projects incur additional personnel costs, as the bill requires the presence of a fire watch guard during all phases of construction, 24 hours per day, until the final sprinkler inspection has been completed and a certificate of occupancy is issued. Developers or owners of construction projects are also affected to the extent OSFM assesses administrative fees to recoup its costs, as assumed in this analysis. On the other hand, small businesses that serve as fire watch guards benefit from an increase in the demand for their services.

Additional Comments: Because the bill increases the cost of multifamily construction, the bill likely results in an increase in the price of new multifamily dwellings.

Additional Information

Prior Introductions: None.

Cross File: HB 1311 (Delegate McCray) - Environment and Transportation.

Information Source(s): Baltimore City; Caroline and Montgomery counties; City of Bowie; Department of Housing and Community Development; Department of State Police; Department of Legislative Services

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