

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 409

PRINTER NO. 2155

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

February 8, 2017

PRIME SPONSOR

Representative Evankovich

DESCRIPTION

House Bill 409 amends the Pennsylvania Construction Code Act by revising the process to review updated sections of the model code developed by the International Code Council (ICC).

Requires the Uniform Construction Code Review and Advisory Council (RAC) to gather information from construction trades and consumer representatives related to issues with the Uniform Construction Code (UCC) raised by RAC members or changes proposed by the General Assembly.

Makes changes to the composition and appointing authority of the RAC. Requires RAC members to be residents of the Commonwealth and to document their qualifications. Provides for the RAC chairperson to make appointments if, the appointing authority fails to act on a RAC appointment within 90 business days. Provides for three year terms for RAC members and staggers the members' initial terms. Provides for RAC members to participate in meetings via telephone or video conference and for members to be removed for missing three or more consecutive meetings. Provides for RAC members to be reimbursed for reasonable travel, lodging and expenses.

Requires the Department of Labor and Industry to provide administrative support to the RAC including: a facility for meetings; stenographic services; secretarial services; legal representation; and, staff support in drafting any reports required under the act.

Requires the RAC to establish technical advisory committees to assist in the review of updated sections for the ICC codes every three years. Provides for the technical advisory committees to be limited to 12 members and to be comprised of RAC members, and members of industry groups and the general public appointed by the RAC chairperson. Provides for recommendations to be made by a majority of votes received from RAC members serving on the technical advisory committee.

Provides for a process for the RAC to review updated ICC codes starting after 21 months of any addition. Requires the RAC to submit a report to the Secretary of the Department of Labor and Industry within 24 months following the commencement of the review process with sections of the code specified for adoption or modification.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

Requires the department within nine months of the receipt of the report to promulgate final-omitted regulations adopting the decisions contained in the report without change.

Provides for an expedited process to re-review the 2015 edition of the ICC codes. The review is to commence within 30 days of the effective date of the act. Allows the RAC to rely on its previous technical analysis for the re-review. Requires the RAC to submit a report to the Secretary of the Department of Labor and Industry of the 2015 ICC codes on or before May 1, 2018. Provides for regulations adopted as part of the 2015 code re-review to be effective October 1, 2018

Provides that where a design or construction contract was signed before the effective date of regulations implementing a subsequent UCC, the permit may be issued under the code in place at the time the contract was signed if it is applied for within six months of the effective date of the regulation or period specified by municipal ordinance, whichever is less.

Allows a city of the first class to enact an ordinance that adopts the 2018 ICC triennial commercial building code.

Increases building permit fees from \$4.00 to \$4.50. Establishes the Review and Advisory Council Administration Training Account. Provides for revenue from the building permit fees to be deposited in three accounts as follows: 43.5% to the Municipal Code Official Training Account; 13% to the Review and Advisory Council Training Account; and, 43.5% to the Construction Contractor Training Account. Provides that the Department of Community and Economic Development may utilize up to 3% of the funds allocated to the Municipal Code Official Training Account and the Construction Contractor Training Account for administration and program expenses. Allows the Department of Community and Economic Development to take a higher percentage from the accounts for administrative costs for one year if the costs are already included in an agreement. Provides that funds allocated for the Review and Advisory Council Training Account shall be used by the Department of Labor and Industry for the expenses of the RAC, for fees associated with the ICC to establish and publish code manuals and to provide technical and administrative assistance. Specifies that the Department of Labor and Industry shall not be required to utilize other sources of funding to carry out the activities under the act if the funding provided is insufficient.

Requires the Department of Community and Economic Development and the Department of Labor and Industry to provide for annual reports detailing revenues and expenditures under the act.

FISCAL IMPACT:

Senate Bill 409 will have no adverse fiscal impact on Commonwealth funds. Based on a two-year average of revenues collected from building permit fees and the 50¢ increase (\$130,000) in the permit fee, it is estimated that \$1,168,000 will be available annually to support the provisions of this act.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

Further, the legislation directs 13% (\$152,000) of the building permit fees collected annually to the Review and Advisory Council Administration Account for expenses of the RAC, fees associated with the ICC to establish and publish code manuals and for costs incurred by the Department of Labor and Industry to provide technical and administrative assistance. It also allows the Department of Community and Economic Development to utilize up to 3% (\$30,500) of the funds allocated to the Municipal Code Official Training Account and the Construction Contractor Training Account for administration and program expenses and even a higher percentage for one year if the costs are already included in an agreement. It is estimated that the costs related to the code review process and administrative costs should not exceed the funding available.