

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 269

**PRINTER NO.** 755

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

January 31, 2017

**PRIME SPONSOR**

Senator Baker

**DESCRIPTION**

Senate Bill 269 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 30 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, members of industry groups and the general public appointed by the RAC chairperson. Provides for the various technical advisory committees' members to make non-binding recommendations to the RAC.

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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. 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

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: 42.5% to the Municipal Code Official Training Account; 15% to the Review and Advisory Council Training Account; and, 42.5% to the Construction Contractor Training Account. Provides for the Department of Labor and Industry to administer the accounts and that any unencumbered balance in the Municipal Code Official Training Account be transferred to the department. Specifies that the department may not use any funds in either the Municipal Code Official Training Account or the Construction Contractor Training Account for administrative expenses related to the program and that it shall not be required to utilize other sources of funding to carry out activities provided for under the act. Requires the department to provide for an annual report detailing the expenditures under the act.

### **FISCAL IMPACT:**

Senate Bill 269 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. Further, the legislation directs 15% (\$175,000) of the building permit fees collected annually to the Review and Advisory Council Training Account to offset costs for the code review process, including RAC member expenses and administrative assistance provided by the Department of Labor and Industry. It is estimated that the costs related to the code review process, including RAC member expenses and administrative costs, should not exceed the funding available in the account.