

# FISCAL NOTE

July 5, 2017

<b>Bill No:</b>	HB 409	<b>Printer's No:</b>	PN 2155	<b>Sponsor:</b>	Evankovich
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### COST / (SAVINGS)

<b>Fund (s)</b>	<b>2016-17</b>	<b>2017-18</b>
General Fund	"See Fiscal Impact"	\$225,200
Revenue-RAC Administraitve Account	"See Fiscal Impact"	(\$146,250)

**SUMMARY:** HB 409 amends the PA Construction Code Act (Act 45 of 1999) to make changes to the process used by the Uniform Construction Code (UCC) Review and Advisory Council (RAC).

**ANALYSIS:** This legislation will amend the PA Construction Code Act to reform the triennial code review process used by the UCC RAC to update the UCC. This legislation will change the composition of the UCC RAC.

Under current law, the Department of Labor & Industry (L&I) provides administrative support (meeting facility, stenographic services and support in drafting reports) to the council. This legislation adds additional support in the form of secretarial services and legal representation. This legislation allows L&I to contract with the ICC to establish and publish code manuals which contain the standards of the UCC.

This legislation will create an additional restricted account to include the municipal code official training account, the new RAC administration account and the construction contractor training account in the State Treasury to fund operations.

Currently, the Department of Community and Economic Development (DCED) is not permitted to use fee money for administrative expenses. This legislation allows DCED to utilize up to 3% of the revenues deposited into the municipal code official training account and up to 3% of the revenues deposited into the construction contractor training account for administrative and program expenses.

The RAC shall submit a report to the Secretary within the 24-month period following the commencement of the review process. The sections of the codes that are specified for adoption or modification shall be separately designated in the report.

The amendment to section 703 of the act shall take effect July 1, 2017, or immediately, whichever is later.

The amendment to section 902 of the act shall take effect in 60 days.

The remainder of this act shall take effect immediately.

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**FISCAL IMPACT:** L&I would require personnel to provide additional support to the council. The estimated total cost is \$225,000 annually. However, this legislation permits L&I to use fee revenue to cover the costs. The estimated revenue totals \$146,000. If L&I would contract with the ICC to establish and publish code manuals, there would be additional costs that would need to be covered by the fee.

<b>Projected BOIS Annual Costs</b>	Salary	\$117,280.80
	Operating	\$24,650.00
	<b>TOTAL</b>	<b>\$141,930.80</b>
<b>Projected General Counsel Annual Costs</b>	Salary	\$59,333.64
	Operating	\$5,000.00
	<b>TOTAL</b>	<b>\$64,333.64</b>
<b>Projected Average Annual Meeting Expenditures</b>		<b>\$18,936.00</b>
<b>Total Annual Costs</b>		<b>\$225,200.44</b>

<b>Permit Revenue</b>	
Number of permits issued	250,000
Cost per permit	\$4.50
<b>Total permit revenue generated</b>	<b>\$1,125,000.00</b>
<b>Total deposited into RAC account (13% of total revenues generated)</b>	<b>\$146,250.00</b>