

Fiscal Estimate Narratives

COMM 2/14/2007

LRB Number	07-0890/1	Introduction Number	SB-028	Estimate Type	Original
Description Exemption from construction standards for certain load-bearing dimension lumber					

Assumptions Used in Arriving at Fiscal Estimate

2007 SB 28 provides for use of load-bearing dimension lumber for use in 1&2 family dwelling and multi-family construction that has not been tested and approved for conformance with standards established by the Department. Such lumber would be certified by the person milling the lumber to meet the standards prescribed by the Department. Such lumber can be used under either of the following circumstances:

1. The lumber has been milled at the request of the person owning the lumber for use in the construction of the dwelling, and the dwelling will be inhabited by the person owning the lumber.
2. The person milling the lumber sells the lumber directly to a person who will inhabit the dwelling or to a person acting on his or her behalf and for whom a building permit has been issued for the dwelling. The person milling the lumber shall provide the person receiving the lumber a written certification that the lumber meets or exceeds these requirements. An inspector may approve use of the lumber, reject use of the lumber, or approve use under certain circumstances.

Currently, the Department requires that lumber used in the construction of 1&2 family dwellings and multi-family dwellings be graded according to national standards. Other than indicating by administrative rule that lumber must be graded and indicating the standards to which it must be graded, the Department is not involved in the grading of lumber. Also, the Department contracts with 3rd party inspectors for the inspection of 1&2 family dwelling construction and many municipalities provide for the enforcement of the 1&2 family dwelling code in their communities. The Department's commercial building inspectors conduct inspections of multi-family dwellings for conformance with the Department's multifamily dwelling code.

Workload associated with SB 28 would include updating of the administrative rules for 1&2 family dwelling and multi-family construction. Also, the Department anticipates increased consultation with inspectors of 1&2 family dwelling construction, who must inspect and establish that the non-graded lumber is suitable for the construction it is utilized for (e.g., floor system). The Department also anticipates an increased workload for commercial building inspectors in determining if lumber utilized under the new provisions is acceptable. The Department estimates a consultation workload of .2 FTE Building Inspector at a cost of \$15,300.

The Department anticipates that there would also be an increased workload for municipalities that enforce the 1&2 family dwelling and multi-family code. The increased workload would be associated with increased inspector workload in determining if un-graded lumber utilized under the new provisions is acceptable. The Department estimates that this workload can be absorbed within local resources, as the total number of dwellings involved will be less than 200 and spread out throughout many jurisdictions.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-0890/1		Introduction Number SB-028	
Description Exemption from construction standards for certain load-bearing dimension lumber			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$11,400	\$0	
(FTE Position Changes)	(0.2 FTE)	(0.0 FTE)	
State Operations - Other Costs	3,900	0	
Local Assistance	0	0	
Aids to Individuals or Organizations	0	0	
TOTAL State Costs by Category	\$15,300	\$0	
B. State Costs by Source of Funds			
GPR	0	0	
FED	0	0	
PRO/PRS (PRO)	15,300	0	
SEG/SEG-S	0	0	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$0	\$0	
GPR Earned	0	0	
FED	0	0	
PRO/PRS	0	0	
SEG/SEG-S	0	0	
TOTAL State Revenues	\$0	\$0	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$15,300	\$0	
NET CHANGE IN REVENUE	\$0	\$0	
Agency/Prepared By			
COMM/ Debra Miller (608) 266-8603		Authorized Signature	
		Louie Cornelius (608) 266-8629	
Date			
2/14/2007			