

Fiscal Estimate Narratives

DOA 5/12/2023

LRB Number	23-2574/1	Introduction Number	SB-0187	Estimate Type	Original
Description local government review of commercial building plans					

Assumptions Used in Arriving at Fiscal Estimate

2023 Senate Bill 187 (SB-187) relates to reviews of commercial building plans conducted by local governments, the circumstances in which the Department of Safety and Professional Services (DSPS) must accept these reviews, elimination of certain related fees, and encouraging local units of government to conduct reviews and examinations.

For new construction, SB-187 increases the threshold under which the examination of essential drawing, calculations, and specifications of commercial building plans conducted by local units of government not appointed as agents must be accepted by DSPS from 50,000 cubic feet of volume to 100,000 cubic feet of volume (s. 101.12 (3) (b), Wis. Stats.). The bill would additionally require DSPS to accept local examinations of plans, as well as reviews and determinations on variances (s. 101.12 (3) (br), Wis. Stats.), for additions to buildings or structures in which the addition results in the entire structure being less than 100,000 cubic feet of volume. For alterations of spaces, the bill requires DSPS to accept examinations of plans and reviews and determinations on variances regardless of total building volume when conducted by non-agent local units of government. These provisions only apply when the examinations and determinations are done in a manner approved by DSPS and by examiners who have been deemed and certified by DSPS as competent.

The bill also eliminates the fee that second class cities and local units of government that are appointed as agents under s. 101.12 (3g), Wis. Stats. must forward to DSPS for each building or structure reviewed. The fee schedules under current administrative code are under SPS Table 302.31-1, 2, and 3.

Lastly, SB-187 requires DSPS to prepare a plan to encourage cities, villages, towns, and counties to conduct examinations and inspections and to increase support for the same. DSPS would be required to submit this plan to the Legislature no later than January 1, 2024.

The Department of Administration does not anticipate any fiscal impact on its operations related to SB-187.

At the local level, there are several impacts anticipated. First, raising the thresholds related to building size for non-agent local units of government conducting building plan reviews may increase the volume and improve the timeliness of building plan reviews done in non-agent units of government for structures under the higher thresholds.

Secondly, with the elimination of the fee that second class cities and local units of government appointed as agents must forward to DSPS for reviews, greater levels of fee revenue for plan reviews would be retained by those units of government. The fee to be forwarded to DSPS under current administrative code is 10% of the original review fee (e.g., \$210 compared to \$2,100 for a 40,001-50,000 square foot building) for local units of government that do not assume the duty of inspections under s. 101.12 (3) (g), Wis. Stats., and approximately 11% (e.g., \$210 compared to \$1,900 for a 40,001-50,000 square foot building) for those that do. The general fiscal impact is expected to be decreased costs for second-class cities and appointed agent units of government, but at an indeterminate level given the wide range of fees collected depending on the square footage of the building plans as well as varying volumes of building plan reviews conducted by any given local unit of government.

Long-Range Fiscal Implications