



Legislative
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FISCAL NOTE

Drafting Number: LLS 19-0374
Prime Sponsors: Sen. Winter
 Rep. Cutter

Date: March 11, 2019
Bill Status: Senate Local Government
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Bill Topic: SUNSET FIRE SUPPRESSION REGISTRATION & INSPECTION

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

Sunset bill. SB 19-157 continues the fire suppression registration and inspection programs in the Department of Public Safety, which are scheduled to repeal on September 1, 2019. State fiscal impacts include only the continuation of the program's current revenue and expenditures. The program is continued until September 1, 2026.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under SB 19-157**

New Impacts		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures		-	-
TABOR Refund		-	-
Continuing Program Impacts		FY 2019-20	FY 2020-21
Revenue	Cash Funds	-	\$201,500
Expenditures	Cash Funds	-	\$203,733
	FTE	-	2.0 FTE
TABOR Refund		-	-

* Table 1 shows the new impacts resulting from changes to the program under the bill, and the continuing impacts from extending the program beyond its current repeal date. Because the bill continues a program without making any changes, there are no new impacts. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

Under current law, the fire suppression registration and inspection programs in the Division of Fire Prevention and Control in the Department of Public Safety are scheduled to repeal September 1, 2019. This bill continues the programs until September 1, 2026.

Background and Assumptions

Fire Suppression Program. With some exceptions for minor alterations, any fire suppression system installation, modification, or repair must be completed by a registered fire suppression contractor and approved by a fire suppression system inspector. Fire suppression systems, also known as fire sprinklers, have been regulated by the fire suppression registration and inspection programs since 1991. These programs register fire suppression contractors and certify inspectors. State inspections of fire suppression systems are also performed in public schools, hospitals, and areas that do not have local inspectors.

Criminal penalties. Under current law, failure to register as a fire suppression contractor or unlawfully acting as a fire suppression contractor is a class 3 misdemeanor with subsequent offenses being a class 2 misdemeanor. Making a false statement or concealing a material fact with the intent to influence negotiations in the installation or repair of a fire suppression system is a class 1 misdemeanor. Zero offenders have been sentenced and convicted of these crimes in the last three years. Based on the lack of convictions, it is assumed that continuing this program will have no impact on the criminal justice system.

Continuing State Impacts

Based on the department's FY 2019-20 budget request, the Department of Public Safety is expected to have continuing Fire Suppression Cash Fund revenue of \$201,500 and expenditures of \$203,733 to administer the fire suppression and inspection program. Revenues are from fees charged for contractor registration, fire suppression system certifications, and plan reviews as well as fines for any violations. Expenditures are for salaries for 2.0 FTE for an inspector and compliance specialist and related operating costs. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2020-21. This continuing revenue is subject to the state TABOR limits. If this bill is not enacted, the program will end on September 1, 2020, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2020-21 by the amounts shown in Table 1.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Public Safety