



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 362 of the 128th G.A.](#)

Date: May 26, 2010

Status: As Reported by House Commerce & Labor

Sponsor: Rep. Chandler

Local Impact Statement Procedure Required: No — Minimal cost

Contents: Requires carbon monoxide alarms and portable fire extinguishers in new residential buildings

State Fiscal Highlights

- The bill has no new significant direct fiscal effect on the state, but the Department of Commerce could incur some negligible expense to revise the residential real property disclosure form as required by the bill.

Local Fiscal Highlights

- Local building departments would incur little or no additional cost to enforce the bill's safety equipment requirements for new one, two, or three-family residential buildings. This is because building department personnel would most likely check for compliance during final inspections.
- If a special inspection or additional staff time were needed to account for these additional safety requirements, building departments could assess an additional fee to cover these costs.
- Existing residential buildings are exempt from the bill's requirements.

Detailed Fiscal Analysis

Overview

The bill makes a number of changes to the laws governing the residential building code and the disclosure of residential real property information to ensure that residential buildings contain carbon monoxide (CO) alarms and portable fire extinguishers. Under the bill, the Residential Construction Advisory Committee (RCAC) must recommend and the Board of Building Standards (BBS) must adopt rules to the Residential Building Code that would require each residential building to have CO alarms and portable fire extinguishers. The equipment must conform to location and product and installation standards, which would be included in the rules adopted. One-hundred eighty days after these rules are adopted, new residential buildings (one, two, or three-family dwelling houses for which the plans, drawings, specifications, and data are approved after the effective date of the rules) would be required to have the additional safety equipment installed and in operation. Finally, the bill states that claims against a manufacturer or supplier of a defective CO alarm or portable fire extinguisher must be brought in accordance with the Product Liability Law, a process that would already apply under existing law. Overall, these changes are unlikely to increase enforcement costs for local building departments. The changes will have little or no effect on the Department of Commerce, which is responsible for changing the disclosure form under the bill.

Enforcement costs

The bill's safety equipment requirements would be enforced primarily by county, township, and municipal building department personnel. These employees would likely inspect new residential construction during the building's final inspections to ensure that the required equipment is present and appropriately installed. If so, there would be little or no additional cost for such an inspection of a one, two, or three-family home. If a special inspection is needed, or if the additional inspection requirements significantly increase inspection times, a fee would be charged to cover this added cost. Note that some local governments may already require residential structures to have CO alarms and fire extinguishers and would thus not incur any new costs as a result of the bill.¹

In addition, the bill requires the Director of Commerce, no later than 18 months after the effective date of the bill, to revise the residential real property disclosure form to include a provision permitting a transferor to disclose whether the property contains

¹ The Residential Building Code provides uniform requirements for residential buildings in any area with a building department certified to enforce the Code. However, counties, townships, and municipalities may adopt local residential building regulations that address subject matter not covered under the Residential Building Code.

CO alarms and portable fire extinguishers that comply with the applicable standards. The disclosure form, except for various exemptions in current law, is required before one to four-family residential dwelling unit properties are transferred. The Department could incur some negligible expense for complying with this provision of the bill.

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