



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

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

Date: January 12, 2010

Status: As Introduced

Sponsor: Rep. Chandler

Local Impact Statement Procedure Required: No — Minimal cost

Contents: Requires fire extinguishers and carbon monoxide detectors in residential buildings and residential units

State Fiscal Highlights

- The Department of Commerce could incur a negligible one-time cost for modifying the real property disclosure form in order to account for the fire extinguishers and carbon monoxide detector requirements included in 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 until they are transferred by sale or some other agreement.

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 fire extinguishers and carbon monoxide (CO) detectors. Under the bill, the Board of Building Standards (BBS) must adopt rules to the Residential Building Code that would require each residential unit in a residential building to have a portable fire extinguisher installed on each floor of the unit and a CO detector outside each separate sleeping area, both of which must conform to product and installation standards. Within 180 days after these rules are filed, residential buildings (one, two, or three-family dwelling houses) would be required to have the additional safety equipment installed and in operation.¹ Due to a current law provision, this requirement does not apply to an existing building until it is transferred either by sale or some other mechanism.

Overall, these changes are unlikely to increase enforcement costs for local building departments and would 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 in two ways. Local building department personnel for county, township, and municipal building departments 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 staff time increased significantly to inspect the units (perhaps in the case of an apartment building with many units, assuming that they would fall under the requirements of the bill), a fee would be charged to cover this added cost.

For existing residential buildings, the requirements would be enforced through a modification to the real property disclosure form which, except for various exemptions in current law, is required before one to four-family residential dwelling unit properties are transferred. The bill requires the residential real property disclosure form to be

¹ Another section of the bill (Sec. 3781.104) extends this requirement to any unit used or intended for residential occupancy in an apartment building or a condominium. These buildings would be covered under the Nonresidential Building Code if they contain more than three dwelling units. Because the bill does not provide specific rule-making authority for BBS to adopt rules requiring CO detectors and fire extinguishers for such residential structures in the Nonresidential Building Code, it is uncertain if the bill's safety equipment requirements would ultimately apply to those buildings.

modified by the Department of Commerce to state whether the property contains fire extinguishers and carbon monoxide detectors that comply with the applicable standards and prohibits residential real property transfers unless the property has the required safety equipment. If the disclosure form indicates the property does not conform in this way, the bill permits the transferee to rescind the transfer agreement. Other than the possibility of some negligible expenses that the Department of Commerce might incur for modifying the property disclosure form, there appear to be no direct state or local government costs associated with the disclosure requirements.

Finally, some local governments may already require residential structures to have fire extinguishers or carbon monoxide detectors.² Also, some local fire departments offer fire and life safety inspections to occupants of one, two, or three-family homes upon request. Though not mandatory, these inspections may result in increased compliance in existing homes, which are not required to contain the equipment until the property is transferred.

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² 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.