

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 647 - HB 1308

March 21, 2015

SUMMARY OF BILL: Requires owners or operators of hotels, that have fossil-fuel-burning heaters or appliances, a fireplace, an attached garage, or other feature, fixture, or element that emits carbon monoxide, to install an approved carbon monoxide alarm within 10 feet of each room used for sleeping purposes. Establishes that non-compliance is an unlawful practice.

Effective July 1, 2015, for existing buildings; requires any hotel construction occurring on or after January 1, 2016, to be in compliance with the proposed provisions, if a new hotel will have fossil-fuel-burning heaters or appliances, a fireplace, an attached garage, or other feature, fixture, or element that emits carbon monoxide.

Prohibits anyone from tampering with or removing a carbon monoxide alarm. Specifies how carbon monoxide alarms are to be installed and requires any such installation to be in accordance with National Fire Protection Association standards and manufacturer standards.

Expands current Class C misdemeanor offenses, relative to smoke alarm violations, to carbon monoxide violations.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Inspections for carbon monoxide alarms relative to existing buildings will occur in the normal course of inspections made for proper sprinkler and smoke alarm systems. Any increase in state or local expenditures for an inspector to confirm a carbon monoxide alarm has been installed and is operating properly is estimated to be not significant.
- Inspections for carbon monoxide alarms relative to new construction occurring on or after January 1, 2016, will happen in the normal course of building code inspections that will occur in the absence of this bill. Any increase in state or local expenditures is considered not significant.
- There will not be a sufficient number of Class C misdemeanor prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- Any other fiscal impact as a result of this bill will be borne by owners or operators of hotels.

IMPACT TO COMMERCE:

Increase Business Revenue – Exceeds \$7,200

Increase Business Expenditures – Exceeds \$7,200

Assumptions:

- The provisions of this bill will increase business expenditures as owners and operators of hotels, that have fossil-fuel-burning heaters or appliances, a fireplace, an attached garage, or other feature, fixture, or element that emits carbon monoxide, will be required to properly install carbon monoxide alarms.
- The extent of any such increased business expenditures is unknown and dependent upon the extent of compliance, the number of applicable hotel rooms statewide, the type and grade of alarm used, installation costs, and the timing of compliance.
- Given the extent of unknown factors, determining a precise increase for business expenditures is difficult. However, it is assumed that at least three hotels (approximately one for each grand division), whether existing or new, will adhere to the provisions of this bill each year when they would not have relative to current law. Therefore, the recurring increase in business expenditures is reasonably estimated to exceed \$7,200 per year. Such estimate is based an average of 30 rooms per hotel and an average cost of \$80 for the cost of the alarm and for proper installation.
- Given such increased business expenditures, it is reasonable to presume that owners or operators of these hotels will pass the cost of compliance onto their patrons and charge slightly higher rates in order to recover all costs. As a result, the recurring increase in business revenue is estimated to exceed \$7,200.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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