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FISCAL IMPACT STATEMENT

LS 7890

BILL NUMBER: SB 370

NOTE PREPARED: Jan 18, 2005

BILL AMENDED:

SUBJECT: School construction plans.

FIRST AUTHOR: Sen. Kenley

FIRST SPONSOR:

BILL STATUS: As Introduced

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill prohibits a school corporation from entering into a contract concerning plans and specifications prepared by an architect or engineer for the construction of a school building unless the contract includes a provision specifying that: (1) the plans and specifications are the joint property of the architect or engineer and the school corporation; and (2) the architect or engineer agrees that the plans and specifications will be filed with the Office of the State Building Commissioner and may be used by any other school corporation without compensation to the architect or engineer. It provides that a school corporation must file a copy of the plans and specifications with the Office of the State Building Commissioner. The bill requires the State Building Commissioner to make the plans available for inspection and copying by any school corporation.

Effective Date: July 1, 2005.

Explanation of State Expenditures: The Office of the State Building Commissioner could incur some additional administrative expense associated with filings and copying of school construction plans. The impact would probably be minor.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill could reduce local school expenditures for architect or engineer fees in the construction or remodeling of schools. The impact would depend on the extent that plans and specifications of previous projects could be used by schools. If a school used the plans on file with the State Building Commissioner, then the plans would still have to be reviewed and approved by an architect or engineer.

Background: For CY 2003, schools had 43 projects for 110 buildings approved by the Department of Local Government Finance. The architect and engineer fees were \$38.8 M. The amount of the fees varies from year to year. For CY 2002, schools had 52 projects for 144 buildings approved by the Department of Local Government Finance. The architect and engineer fees were \$66.6 M.

Explanation of Local Revenues:

State Agencies Affected: State Building Commissioner.

Local Agencies Affected: Local Schools.

Information Sources: Department of Local Government Finance School Bond Hearing Information.

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