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FISCAL IMPACT STATEMENT

LS 6966
BILL NUMBER: SB 211

NOTE PREPARED: Jan 24, 2011
BILL AMENDED: Jan 20, 2011

SUBJECT: Carbon Monoxide Detectors.

FIRST AUTHOR: Sen. Taylor
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the installation of carbon monoxide detectors in residential homes, hotels, and motels. The bill adds "hydrocarbon gases" to fire safety laws definitions.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Summary:* This bill is expected to increase the workload of the State Fire Marshal, the Family and Social Services Administration (FSSA), and the Indiana State Department of Health (ISDH). This bill is also expected to increase the expenditures of the State Fire Marshal (to inspect buildings for carbon monoxide detectors) and the ISDH (to change the state's database used in the creation of the Consumer Guide to Nursing Homes). Actual increases in expenditures are unknown.

Additional Information:

State Fire Marshal: The bill will require the State Fire Marshal to inspect unregistered child care ministries, newly manufactured homes, hotels, and motels for the use of carbon monoxide detectors. The Indiana Department of Homeland Security (DHS) reports this provision will increase the workload of the State Fire Marshal (SFM) to inspect buildings. Increases in workload will depend on the size of the building and the number of rooms in the building. The DHS also reports additional SFM enforcement staff would be necessary to fulfill the requirement of the bill. The increase in SFM expenditures to hire additional staff is indeterminable.

ISDH: Comprehensive health care facilities would be required to install and maintain carbon monoxide

detectors. The ISDH would be responsible for verifying that comprehensive health care facilities meet this requirement as a condition of receiving licensure. The ISDH reports this requirement can be fulfilled as part of annual inspections of health care facilities' sprinkler and control systems. However, the provisions are expected to increase the workload of ISDH primarily in the first year of inspections, but would become routine in years thereafter.

Additionally, the ISDH will be required to disclose information regarding the presence of carbon monoxide detectors in each resident's room in the ISDH Consumer Guide to Nursing Homes. This will require changes to the state's database used to compile the Consumer Guide. The ISDH reports this will significantly increase ISDH workload and expenditures to change the state database to meet the requirements of the bill. Actual increases are unknown.

Family Social Services Administration (FSSA): This bill will require the Bureau of Child Care (BCC) child care *homes* and child care *ministries* for installation and maintenance of carbon monoxide detection systems as a condition of licensure. The bill is silent on the requirement that child care *centers* install and maintain carbon monoxide detectors. However, as a condition of receiving reimbursement through child care vouchers, all child care providers must install and maintain carbon monoxide detectors. This will most likely require child care homes, ministries, and centers to install and maintain carbon monoxide detectors.

As of December 2010, there were 745 child care ministries, 3,053 child care homes, and 595 child care centers in the state. The FSSA reports that currently the Bureau of Child Care inspects all child care providers for installation and maintenance of smoke detectors. The requirement that BCC staff also inspect child care homes, ministries, and centers can be performed during routine inspections and will minimally increase the Bureau's workload.

Medicaid Impact: The fiscal impact of requiring the installation of carbon monoxide detectors in all certified nursing facilities is indeterminate. There are no data to indicate the number of facilities that may currently have carbon monoxide detectors. The state share of any additional expenditure would be due to the increased capital cost that may be passed through to the Medicaid rate.

Penalty Provision: The owner of a hotel or motel who has a second or subsequent violation pertaining to carbon monoxide detectors commits a Class D felony. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$4,818 annually, or \$13.20 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: *Regulation of Child Care:* The bill adds that a child care provider shall also have a carbon monoxide detection system that complies with the requirements of the bill in order to be eligible to receive reimbursement through child care vouchers. If this bill increases the number of child care providers who are ineligible for child care voucher reimbursement, it is expected voucher-eligible children will be taken to child care centers who are eligible for voucher reimbursement. There is expected to be no associated state fiscal impact from this provision.

Penalty Provision: If additional court cases for Class D felonies occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum judgment for a Class D infraction is \$25, for a Class B infraction is \$1,000, for a

Class A infraction is \$10,000, and for a Class D felony is \$10,000, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Explanation of Local Expenditures: *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, the amounts would likely be small.

State Agencies Affected: ISDH; State Fire Marshal; Fire Prevention and Building Safety Commission; Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Mara Snyder, Fire Prevention and Safety Commission; Mike Garvey, DHS; Scott Zarazee, ISDH; Susie Howard, FSSA.

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