

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 736 (First Edition)

SHORT TITLE: Code Enforcement Official Exam Fees.-AB

SPONSOR(S): Representative Holliman

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2005-06</u></b>	<b><u>FY 2006-07</u></b>	<b><u>FY 2007-08</u></b>	<b><u>FY 2008-09</u></b>	<b><u>FY 2009-10</u></b>
<b>REVENUES:</b>					
<b>General Fund</b>	<b>No fiscal impact</b>				
<b>EXPENDITURES:</b>					
<b>Local governments</b>	<b>124,000</b>	<b>124,000</b>	<b>124,000</b>	<b>124,000</b>	<b>124,000</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> North Carolina counties & municipalities.					
<b>EFFECTIVE DATE:</b> October 1, 2005					

**BILL SUMMARY:** Allows the Office of the State Fire Marshal to establish a fee up to \$125 for the certification examination required for code enforcement officials across the state. The exam is currently administered free of charge in Raleigh. The testing fee will be paid directly to a private testing firm by the applicant and will not be collected by the state. The current application fee for code enforcement officials is \$20 and is not changed by this legislation.

**ASSUMPTIONS AND METHODOLOGY:** The North Carolina Department of Insurance’s Office of the State Fire Marshal issues 900 code enforcement officer licenses and administers 1500 to 1600 examinations annually. The fee for the application was last increased in 1988, and the department has never assessed a fee for the examinations. The Office of the State Fire Marshal has never recouped its administrative costs for the examinations. Additionally, the examinations are only offered in Raleigh, which has been problematic for applicants from remote areas of the state. By offering the examinations through a private testing firm, applicants will have a choice of approximately six cities throughout the region where they may take the exam. The State Fire Marshal proposes this legislation as a solution both for their department’s financial interest and for

city and county employees who incur time away from work as well as travel expenses as part of earning their certification.

The cost to cities and counties will vary by the number of building inspectors they employ. For some municipalities, the option to take the examination at a testing center will constitute a savings in time lost and travel expenses for those employees; for other entities, it will constitute a new expenditure. Cumulatively, this fee will cost North Carolina cities and counties approximately \$193,750 per year, assuming the testing fee is \$125 and an averaged 1,550 exams are administered. From its communications with private testing firms, the State Fire Marshal estimates that the actual cost of the exam will be approximately \$80, which would cost North Carolina municipalities a total of \$124,000 annually assuming the same number of exams are administered.

**SOURCES OF DATA:** North Carolina Office of the State Fire Marshall.

**TECHNICAL CONSIDERATIONS:** None

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