

BUSINESS IMPACT STATEMENT (BIS)

The following BIS was prepared pursuant to NRS 237.090 to address the proposed impact of increasing fire inspection fees. It has been filed with the City Clerk, 431 Prater Way, Sparks Nevada.

1. Subject and issue involved.

Changing the format of the existing fire inspection fee schedule and modifying fire inspection fees to cover costs for services provided.

2. Description of the manner in which comment was solicited from affected business. (List all trade associations, or owners and officers of businesses likely to be affected by the proposed change, as well as anyone else that were consulted.

A presentation of the proposed fees was given to the Economic Development Authority Western Nevada on June 21, 2017, Sparks Citizens Advisory Council on June 23, 2017, and the Reno/Sparks Chamber of Commerce on July 19, 2017. Each committee/group have a direct interest in new and existing businesses in the City of Sparks. A notice was also placed in the Reno Gazette Journal on June 29, 2017.

The proposed fees were then forwarded to City Council for action on August 28, 2017.

3. Summary of responses, if any. (A copy of this summary and the BIS as a whole is available, at no charge, from the City Clerk.)

a. Sparks Citizens Advisory Council

No Comments

b. EDAWN

(1) Staff typically made before and after calculations to compare average costs with the current fee structure and projected costs with the revised fee schedule to determine how the typical business client might be impacted financially.

Answer: The proposed Inspection Fee Schedule displays the current fees and recommended fees with a column explaining how the business will be impacted financially.

(2) Concerns were raised about going from a flat fee to an hourly rate. The feedback was that they would rather see the fee raised than go to an hourly rate.

Answer: A comparison study of inspection fees throughout the State was conducted. The study demonstrated that most jurisdictions are charging by the hour, versus a flat fee. It was found that this was a more accurate way to document the cost of an Inspector's time. The current and proposed fee format is based on an hourly rate. Some inspections fees were increased, while others were either reduced or stayed the same.

(3) There was a question about the \$25.00 Self-Inspection fee. Is it a general processing fee?

Answer: Yes, it is a general processing fee for staff time.

(4) Would it make sense to send this out to the AGC for their review and then have them get back with more informed feedback?

Answer: The fee adjustment proposal is specifically for new and existing business inspections, not new construction or new development. The fee adjustment proposal will not affect Associated General Contractors permits or inspections.

c. Reno Gazette-Journal

No Comments.

d. Reno-Sparks Chamber of Commerce

No Comments.

4. Estimate economic effect of the proposed change on the businesses which is to regulate, including, without limitation:

a. **Adverse effects:** Some Target Hazard businesses will be assessed an increased inspection fee for the fire inspection on an annual, biennial, or triennial frequency. The addition of Operational Permit fees will offset the actual cost of conducting fire inspections for specialized processes which take more time to review and inspect. Low-hazard businesses will be assessed an administrative fee for conducting their own fire and life safety self-inspection.

b. **Beneficial effects:** The proposed fees will cover costs to pay for one Fire Inspector position as originally intended under the Council approved by Resolutions 2578 & 2735. The FPB Inspector position helps ensure proactive compliance with fire codes and City Ordinances, which enhances fire safety practices, and reduces the threat of a fire or injury. Low-hazard businesses will conduct a fire and life safety self-inspection rather than an actual on-site visit at a lower administrative cost. Self-inspections will ensure low-risk businesses, which are not on our regular inspection program, are able to conduct their own fire safety inspection to confirm their business is fire safe. Self-inspection forms and information on common fire hazards will be mailed to the Low-Risk businesses, and will be available on the City Web site. Businesses have the option to request an on-site inspection by an FPB Inspector.

c. **Direct effects:** Business owners will be responsible for payment of these fees.

d. **Indirect effects:** None.

5. Description of the methods considered to reduce the impact of the proposed rule on businesses. (Include whether simplifying the proposed rule, establishing different standards of compliance for a business, and modifying a fee or fine set forth in the rule so that a business could pay a lower fee or fine were considered).

The proposed rule reduces the impact on businesses by creating a more accurate and fair hourly inspection fee for businesses, and a lower-cost administrative fee for businesses placed in a Self-Inspection program. After conducting a state-wide survey of inspection fees, the proposed fees are designed to pay for one Fire Inspector position as previously approved by Resolution's 2578 & 2735. Modifying fees reduces the impact on lower risk occupancies by reestablishing the Self-Inspection program, versus conducting on-site inspections.

6. Whether any of the methods considered above were used and if so, what were the results?

The above method will be used as an equitable means for collection of fees for all businesses subject to the fire inspection program. The recommended fees are consistent with other fire agencies throughout the state, and help offset the actual cost of conducting a fire inspection. The addition of Operational Permit fees will offset the actual cost of conducting fire inspections for specialized processes which take more time to review and inspect.

7. Estimated cost to the City for enforcement of the proposed rule.

There will be no cost to the City for this proposed rule. The proposed rule will significantly help the general fund by generating revenue to cover the cost of one Fire Inspector position as previously approved by Resolution's 2578 & 2735.

8. Estimated annual revenues expected to be generated by the proposed rule and manner in which the money will be used.

Based on the estimations of a 12-month period, the recommended fees are expected to generate enough revenue to pay for one full-time Fire Inspector II position as originally intended in Resolutions 2578 & 2735.

9. Determine whether the provisions of the rule are duplicative or more stringent than federal, state, or local standards regulating the same activities, and if so, why such duplicative or more stringent provisions are necessary. (If the provisions are not duplicative or more stringent, please say so).

The fire inspection fee program is not duplicative or more stringent than other services offered by the City, State, or Federal regulation. Nevada Revised Statute Chapter 477 specifically authorizes a local fire department, whose county population is 100,000 or more, to conduct the duties of fire prevention and set their own program and fees.

CERTIFICATION REQUIRED PER NRS 237.090(2):

I, Stephen W. Driscoll, as City Manager for the City of Sparks, hereby certify that, to the best of my knowledge and belief, the information contained in this business impact statement was prepared properly and accurately.

Dated this _____ day of _____. 2017

Stephen W. Driscoll, ICMA-CM, City Manager
City of Sparks