

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

March 18, 2010

8:11 a.m.

MEMBERS PRESENT

Representative Bob Herron, Co-Chair
Representative Cathy Engstrom Munoz, Co-Chair
Representative John Harris
Representative Wes Keller
Representative Charisse Millett
Representative Sharon Cissna
Representative Berta Gardner

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 202

"An Act relating to state and municipal building code requirements for fire sprinkler systems in certain residential buildings."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 202

SHORT TITLE: RESIDENTIAL SPRINKLER SYSTEMS

SPONSOR(S): REPRESENTATIVE(S) HERRON

03/23/09	(H)	READ THE FIRST TIME - REFERRALS
03/23/09	(H)	CRA, L&C
03/11/10	(H)	CRA AT 8:00 AM BARNES 124
03/11/10	(H)	Heard & Held
03/11/10	(H)	MINUTE(CRA)
03/18/10	(H)	CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

KATHIE WASSERMAN, Alaska Municipal League (AML)
Juneau, Alaska

POSITION STATEMENT: During hearing of HB 202, related that municipalities should be in control of what codes they do or do not adopt.

EARL CHAMPION, Associate Broker
Coldwell Banker;
Association of Realtors
Juneau, Alaska

POSITION STATEMENT: Urged the committee to adopt HB 202.

PHILLIP OATES, Manager
City of Seward
Seward, Alaska

POSITION STATEMENT: Testified in opposition to HB 202.

WALLY SMITH, President
Alaska State Homebuilding Association
Fairbanks, Alaska

POSITION STATEMENT: Testified on HB 202.

DALE BAGLEY
Soldotna, Alaska

POSITION STATEMENT: During hearing of HB 202, stated that he didn't have a problem with extra public hearings.

JEFF FEID, Loss Mitigation Administrator
State Farm
Illinois

POSITION STATEMENT: Testified in opposition to HB 202.

JIM BYRON, President
Southern Southeast Alaska Building Industry Association;
Member, Alaska State Home Building Association
Ketchikan, Alaska

POSITION STATEMENT: Testified in support of HB 202.

KEVIN CROSS, Director & Treasurer
Anchorage Board of Realtors;
Liaison, Alaska Board of Realtors
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 202.

DAVID HULL, Fire Chief
North Tongass Volunteer Fire Department
Ketchikan, Alaska

POSITION STATEMENT: Testified in opposition to HB 202.

ANDY RAUWOLF, Member
Southeast Alaska Building Industry Association;
Member, Board of Directors
National Association of Homebuilders (NAHM)
Ketchikan, Alaska
POSITION STATEMENT: Testified on HB 202.

GARY HALE, Fire Marshall
Central Emergency Services
Soldotna, Alaska
POSITION STATEMENT: Testified in opposition to HB 202.

DOUG SCHRAGE, Immediate Past President
Alaska Fire Chiefs Association
Anchorage, Alaska
POSITION STATEMENT: Testified on HB 202.

JIM HILL, Fire Chief
City of Ketchikan
Ketchikan, Alaska
POSITION STATEMENT: Testified in opposition to HB 202.

ART CLARK, Immediate Past President
Alaska Association of Realtors
Anchorage, Alaska
POSITION STATEMENT: Testified in support of HB 202.

MIKE TILLY, Fire Chief
City of Kenai
Kenai, Alaska
POSITION STATEMENT: Testified in opposition to HB 202.

ACTION NARRATIVE

[8:11:13 AM](#)

CO-CHAIR BOB HERRON called the House Community and Regional Affairs Standing Committee meeting to order at 8:11 a.m. Representatives Munoz, Herron, Harris, and Gardner were present at the call to order. Representatives Keller, Millett, and Cissna arrived as the meeting was in progress.

HB 202-RESIDENTIAL SPRINKLER SYSTEMS

[8:11:22 AM](#)

CO-CHAIR HERRON announced that the only order of business would be HOUSE BILL NO. 202, "An Act relating to state and municipal building code requirements for fire sprinkler systems in certain residential buildings."

CO-CHAIR HERRON reviewed from whom the committee received written testimony.

[8:12:23 AM](#)

KATHIE WASSERMAN, Alaska Municipal League (AML), referring to a letter from AML she submitted to the committee, summarized that it relates that AML's issue with HB 202 is that local municipalities should be in control of the codes they choose to adopt or not adopt.

[8:13:08 AM](#)

CO-CHAIR HERRON read a portion of the last paragraph of AML's letter, as follows: "We appreciate attempts by some legislators to take some of the most onerous language out of this bill, but our first choice is to have this bill die in committee." He then inquired as to what portion of HB 202 AML considers the most onerous.

MS. WASSERMAN recalled that the legislation began with [provisions specifying] that municipalities couldn't choose to adopt a sprinkler code. Then a cost-benefit analysis was added to the legislation as well as extra hearings. She reminded the committee that municipalities already have an ordinance requiring two hearings, and thus requiring an additional hearing for sprinklers but not other codes is silly. Furthermore, the cost-benefit analysis is an unfunded mandate for the municipality. Moreover, she said she didn't know what's expected for the cost-benefit analysis and thus it's difficult to determine how much time and effort would be required.

[8:14:41 AM](#)

CO-CHAIR HERRON related his understanding that AML's first choice is for HB 202 to die. Therefore, he surmised that deletion of the cost-benefit analysis would be AML's second choice.

MS. WASSERMAN replied yes.

[8:15:31 AM](#)

EARL CHAMPION, Associate Broker, Coldwell Banker; , Association of Realtors, provided the following testimony:

Several years ago, I had the honor of serving three terms on the Juneau Assembly and over that nine-year period our body voted to adopt the most recent [Uniform Building Code] UBC codes and incorporate that into our building codes. Frankly, those revisions were adopted usually in one motion and with minimum review by the committee or the members. That has been used and will continue to be used by every local governing body in Alaska as it considers this latest revision to the UBC. But, this latest revision has a major code change that affects every homeowner in Alaska; that will be the requirement to require all new construction or remodeling of single-family homes and duplexes to have automated sprinkler systems installed. The cost for complying to this new code will be borne entirely by the homeowner no one else. Initial costs are estimated to be between \$10,000 and \$20,000, depending upon the home's location. In remote areas it could get much higher. The sprinkler system must be maintained and inspected annually by a certified technician. Currently, there are certified system testers only available in our major Alaskan cities. Remote residents will face additional charges because they'll have to fly-in and bring in inspectors. If a homeowner fails to get an annual inspection, his insurance will be void, he'll be in violation of the covenants in his home mortgage and the investor will obtain insurance and add that cost back to him. Every local government ... is challenged to provide affordable housing opportunities for its residents. How does adding \$20,000 or more to home construction costs improve the affordability of a home? If this bill is not adopted, there will become other issues. At what point in the home remodeling will there be a requirement to install an automated sprinkler system throughout the home. Many homes in Alaska are on wells, which do not have the flow capacity to meet minimum standards for residential sprinkler systems. This means there will be an additional requirement to install an all-weather outside storage tank complete with circulating pumps to prevent freeze-up. And what about homes that are not on an electrical grid? And the system will also

require an automated notification system, which adds even more expense to the homeowners. I could go on with other illustrations of this onerous burden that will be mandated if this bill is not adopted. I ask you to adopt it this morning; show your unanimous support and let's do what's right for the homeowners in the State of Alaska.

[8:18:57 AM](#)

REPRESENTATIVE HARRIS asked if, during Mr. Champion's time with the Juneau Assembly, he could recall any assembly member delving into codes during the code adoption process.

MR. CHAMPION remarked that he doubted that any assembly members in Juneau even read the code. The assembly members relied upon staff to point out issues. In fact, the code was sometimes adopted on the consent agenda and thus wasn't even discussed.

[8:21:03 AM](#)

REPRESENTATIVE HARRIS opined that unless an assembly member is in the construction profession, they typically don't have any interest or expertise in the codes unless numbers of the general public come forward and relate displeasure with the codes.

MR. CHAMPION stated his agreement.

[8:22:40 AM](#)

REPRESENTATIVE HARRIS pointed out that once provisions are in the code, it's difficult to take them out. Therefore, he expressed the need to address problematic code provisions prior to the adoption of the code. Although Representative Harris related his understanding of AML's concerns regarding local control, he emphasized that this is a large statewide issue the costs of which the general public needs to understand. Therefore, requiring more time for the general public to review such changes and weigh in on them is appropriate.

[8:24:52 AM](#)

CO-CHAIR MUNOZ recalled seeing statistics that related that the percentage of median income families in Juneau is about 70 percent. She inquired as to what percentage of homes on the market are accessible to those median income families.

MR. CHAMPION said that the average price of homes selling now is slightly over \$300,000. He estimated that 50-60 percent of the [median income families in Juneau] would qualify for homes priced slightly over \$300,000.

CO-CHAIR MUNOZ related her understanding that this sprinkler system provision would add about \$20,000 to the purchase price for a new first-time homebuyer.

MR. CHAMPION responded that at a minimum, the additional cost for the sprinkler system would be \$20,000. He reminded the committee of the need for an alarm system with the sprinkler systems. Although he indicated that it's anyone's guess for a retrofit, he said it would be extremely expensive. Furthermore, it's unclear when exactly one performing a remodel would be required to install a sprinkler system.

[8:26:54 AM](#)

REPRESENTATIVE GARDNER asked if someone is actively seeking to encourage municipalities to mandate sprinkler systems in private homes.

MR. CHAMPION related his understanding that the Alaska Fire Chiefs Association and probably insurance companies would be interested [in the adoption of this sprinkler system code]. Although he said he hasn't had anyone personally lobby him regarding this topic, it must have been included in the UBC with support from some sectors. He related his belief that the firefighters and inspectors throughout the country are supportive of the sprinkler system code requirement.

[8:29:14 AM](#)

PHILLIP OATES, Manager, City of Seward, related opposition to HB 202. He further related that the City of Seward's position is consistent with that of AML. This legislation, he opined, will infringe on the City of Seward's authority as a home rule city. Mr. Oates said that the City of Seward tries to find the best fire protection and balance it with cost and other considerations. This legislation would make the [code adoption] process more difficult. He noted that Seward's city council holds extensive work sessions regarding the building and fire codes during which they're considered in great detail prior to adopting them. Mr. Oates said that the city isn't mandating anything, rather it's trying to maintain the authority at the local level to do what's best for all customers.

8:30:35 AM

REPRESENTATIVE GARDNER remarked that Mr. Oates' written testimony raises a host of questions for her. She then disagreed with the statement in Mr. Oates' written testimony that says HB 202 limits the ability of the municipality to consider different fire protection options. The legislation, on the other hand, establishes some requirements regarding how an area considers fire protection options.

MR. OATES said that perhaps it would be better said that HB 202 places unnecessary boundaries on the [code adoption] process.

8:31:18 AM

REPRESENTATIVE GARDNER then directed attention to the statement in Mr. Oates' written testimony that relates HB 202 will drive up costs for fire protection in Seward because it would be necessary to acquire a vehicle capable of transporting water supplies. She asked if the aforementioned means that the fire department wouldn't transport water to a call from a home with a sprinkler system.

MR. OATES noted that Seward has mutual aid agreements with other fire departments on which it can call. However, there is a limitation in capacity within the city, and thus when one puts in an application for the construction of a building, the available water sources and other means of fighting fires are considered. Mr. Oates expressed the need for flexibility to consider all available means for protection. In further response to Representative Gardner, Mr. Oates confirmed that the fire department does bring water on a fire call. However, HB 202 would mean that less water is necessary in all instances. If the city doesn't have the ability to make decisions to provide adequate fire protection, the city would need a fuller suite of fire protection capacities.

8:32:50 AM

REPRESENTATIVE GARDNER directed attention to the statement in Mr. Oates' written testimony that relates the City of Seward has used sprinkler requirements as a way to reduce costs to the developer. If the developer is required to install sprinklers, the cost of which is added to the cost of the buyer of the property, wouldn't it be a wash for the developer, she asked.

MR. OATES responded that it's difficult to answer. However, he pointed out that the city may have to have a local water source for those homes without a water source. Again, as a home rule city, the City of Seward wants to maintain the freedom to adopt the codes and administrative processes it views as best for the residents of Seward.

[8:34:00 AM](#)

REPRESENTATIVE HARRIS asked if Mr. Oates' believes HB 202 is that onerous to municipalities and cities that it takes away its home rule authority.

MR. OATES commented that adding administrative requirements to an already cumbersome administrative process is something [the cities and municipalities] would resist. Mr. Oates agreed with Ms. Wasserman's comment that the cost-benefit analysis should be deleted and that the city would like to maintain the freedom to make decisions at the local level.

[8:35:32 AM](#)

WALLY SMITH, President, Alaska State Homebuilding Association, began by emphasizing that the Alaska State Homebuilding Association doesn't oppose the use of sprinkler systems in one- and two-family homes. He then reminded the committee that HB 202 only extends the public notice period and requires more open scrutiny prior to a community mandating residential fire sprinklers in one- and two-family homes. The legislation, in no way, takes away any control from local governments to establish their own standards. Mr. Smith related that he spoke with local appraisers and bankers regarding how much [credit] would be received for sprinklers, to which he was told very little [credit] would be given. If the appraisers don't place much value on the system, the bankers won't include that in the loan. Consequently, the homeowner would have to pay for the [fire sprinkler system].

[8:38:09 AM](#)

REPRESENTATIVE GARDNER asked if Mr. Smith spoke with insurance companies regarding the impact of [requiring fire sprinkler systems] on homeowners.

MR. SMITH replied yes. He mentioned that he is a member of the Interior Alaska Building Association, which has been working very closely with the Alaska Fire Chiefs Association to get them

on the same side of the table as builders and homeowners with regard to the problems mentioned regarding appraisers and bankers. With regard to his interaction with insurance agents, Mr. Smith related that he received mixed results ranging from possible insurance premium reductions to discussions regarding water mitigation from sprinklers.

[8:40:17 AM](#)

DALE BAGLEY related that he is a member of a local builders association and the owner of a real estate company. Mr. Bagley opined that now isn't the time to make construction of a new house more expensive. Furthermore, he didn't want the residential fire sprinkler system movement to cause existing homes to be retrofitted. He said he didn't believe insurance rates would decrease because accidental discharge could cause damage to the home. In fact, a private school in the area has had many issues with retrofitting a required sprinkler system. He reviewed the commercial retrofit and the problems with the situation, including the need to put glycol in the pipes in the attic in order to prevent freezing. If one sprinkler goes off, all the glycol, \$15,000 worth, will drain. These issues are similar to what residential homeowners would face with fire sprinklers. Furthermore, sprinkler systems require a pressurized tank and annual inspections. He identified it as one more issue during a closing that will require inspection. From a real estate and building perspective, Mr. Bagley opposed HB 202. Drawing from his experience as a former mayor, assembly member, council member, and current city council member, he related that he has seen many issues pass without involvement of the industry. Therefore, the more public hearings and information that's provided for the public the better.

[8:43:43 AM](#)

CO-CHAIR HERRON announced that the intent of the co-chairs is to take action on HB 202 at this meeting.

[8:44:01 AM](#)

JEFF FEID, Loss Mitigation Administrator, State Farm, related State Farm's opposition to HB 202. He then highlighted that development of the international codes is truly a consensus process in which homebuilders are present when the codes are developed through the International Code Council (ICC). He related that he was the chairman of the International Residential Code (IRC) Committee that deliberated over the issue

of fire sprinklers when it was being considered for incorporation into the code. There was also a homebuilder representative from Alaska as well as many experts from around the country and Canada who were involved in the [code adoption process], including researchers, scientists, homebuilders, code officials, and insurers. Upon the conclusion of the deliberations, the consensus was to include fire sprinklers in the 2009 edition of the residential code. Therefore, the hearing process already includes a lot of deliberation. To establish another road block for additional hearings isn't appropriate.

MR. FEID informed the committee that Scottsdale, Arizona, has had a fire sprinkler ordinance for over 20 years. In the first 15 years of their sprinkler ordinance, no one died in a home with sprinklers. During the same timeframe, 13 people died in homes without sprinklers. Furthermore, less damage was realized in homes with fire sprinkler systems. The average fire loss in a sprinkler home incident was \$2,166 whereas fires in homes without sprinklers resulted in \$45,000 in damage, which he characterized as a significant difference. Moreover, the amount of water used to stop a fire in a home with fire sprinklers was significantly less than in a home without fire sprinklers. In Scottsdale, the cost to install sprinklers in a home is about \$.80 per square foot. A national study by the National Fire Protection Research Foundation found the national average cost for installing sprinkler systems to be \$1.61.

[8:47:12 AM](#)

REPRESENTATIVE MILLETT remarked that although she appreciates the information from Arizona, she questioned how many people in Arizona utilize a well or experience 90-days of freezing weather. She informed the committee that some residents of the Anchorage Hillside utilize well and septic systems, and therefore the cost to install a fire sprinkler system and a bladder to keep water from freezing is more expensive than in Arizona. She asked if Mr. Feid could use a location that's more akin to Alaska's climate.

MR. FEID explained that he used Scottsdale, Arizona, as an example because it has had the sprinkler ordinance in place for some time, and therefore provides enough data. He maintained that installing a sprinkler system with a tank and a small pump in a single-family home is doable. Mr. Feid related that State Farm offers a discount for sprinklers.

[8:48:56 AM](#)

REPRESENTATIVE GARDNER inquired as to the amount of discount given to the homeowner with a sprinkler system.

MR. FEID responded that State Farm offers a 5 percent discount for a partial sprinkler system and a 10 percent discount for a full sprinkler system. The discount is off the base premium. In further response, Mr. Feid said that there are too many variables to specify the premium of a particular home.

[8:49:48 AM](#)

REPRESENTATIVE MILLETT asked if State Farm insures the sprinkler system if the pipes freeze, explode, and create water damage throughout the home due to a frozen pipe, frozen system, or malfunction that's due to temperature or water pressure, or fluctuation in electrical current. She further asked whether the system would be replaced and the homeowner would continue to be insured.

MR. FEID confirmed that accidental discharge of water is a covered peril. He mentioned that the committee packet may include a letter from Insurance Services Office, Inc. (ISO) regarding how it handles accidental water damage. Accidental water damage from a sprinkler system is handled in a fashion similar to accidental water damage from a plumbing system.

[8:50:48 AM](#)

REPRESENTATIVE CISSNA expressed the need to have information regarding how sprinkler systems work in rural areas with severe climates.

MR. FEID related that there's a similar study from Prince George's County, Maryland. However, he noted that the aforementioned area is more urban than rural.

[8:52:35 AM](#)

REPRESENTATIVE HARRIS noted his appreciation of Mr. Feid's testimony. He likened the situation with sprinklers to that of health care in which Congress is charged with listening to the concerns of the public. He acknowledged that the insurance industry and the fire departments have valid concerns. However, he opined that [the committee] is cautiously guarding against the heavy arm of government without good due process. This

requirement will add costs to new home construction. He further opined that the legislation provides the public with the opportunity to express their concerns to elected officials and gain a better understanding. If the aforementioned is denied, the public is angered.

MR. FEID reminded the committee of other large building code requirements that cost as much, if not more than sprinkler systems, such as reinforcement for wind, snow load, and seismic.

REPRESENTATIVE HARRIS interjected that in Alaska water isn't that easy.

[8:57:39 AM](#)

JIM BYRON, President, Southern Southeast Alaska Building Industry Association; Member, Alaska State Home Building Association, related support for HB 202 as it simply extends the public process in order to make it more aware. The cost-benefit analysis, he opined, is the most important part of HB 202 and shouldn't be deleted. Such an analysis is important in terms of knowing the cost, particularly in rural areas. He recalled installing a residential fire sprinkler system that cost in excess of \$25,000. He recalled that the committee heard testimony from a fire chief from Ketchikan, however, he was not speaking on behalf of the City of Ketchikan.

[8:59:52 AM](#)

KEVIN CROSS, Director & Treasurer, Anchorage Board of Realtors; Liaison, Alaska Board of Realtors, began by informing the committee that prior to entering the real estate industry he had spent 14 years in the fire protection industry. He noted that he has three engineering degrees in fire protection systems as well as a National Institute for Certification in Engineering Technologies (NICET) II in water-based hydraulics and sprinklers as well as low voltage supervisory alarm sprinkler systems, and chemical fire protection systems. As a contractor, homeowner, and realtor, Mr. Cross opined that the sprinkler code should be approached cautiously and thus is why he supports HB 202. Drawing from his experience as a cost estimator for projects, he related that for those on a public water system in the Anchorage or Mat-Su Valley area to install a sprinkler system costs about \$4 square foot. However, he noted that it varies depending upon the architecture. The largest problem is that houses aren't designed with a sprinkler system in mind. He related that the mandate for sprinkler systems arose from high density housing in

Phoenix, Arizona, and California. Alaska, however, is much colder and thus there are more freeze ups of sprinkler systems in Alaska, particularly in residential systems. He pointed out that since most attics in Alaska aren't heated, a glycol system has to be utilized and maintained. He further related that homeowners who utilize a well or septic system and live on a road system should expect a cost of about \$7 a square foot. Those in rural Alaska should expect a cost of about \$10-\$12 per square foot to install a sprinkler system. He attributed the additional costs to the need to install a tank and a pump, hire an electrician to wire the pump, and install and maintain an alarm system. Furthermore, there will likely be annual inspection costs of \$250-\$500. Drawing upon his experience, he related that the maintenance record for sprinkler systems is highly scrutinized prior to paying out for water damage. Therefore, Mr. Cross opined that public input is very important.

[9:03:49 AM](#)

DAVID HULL, Fire Chief, North Tongass Volunteer Fire Department, related his opposition to HB 202. He opined that the local communities have a good system to determine what is best for the local communities. The requirements in HB 202 place additional burdens on the communities; there is no good reason to single out one issue for this process. Mr. Hull said that the state shouldn't hinder a community's ability to make decisions.

[9:04:59 AM](#)

ANDY RAUWOLF, Member, Southeast Alaska Building Industry Association; Member, Board of Directors, National Association of Homebuilders (NAHM), informed the committee that NAHB was very involved with the code process on a national level and was adamantly opposed to the entire process throughout. Mr. Rauwolf contended that [mandating sprinkler systems] is an undue burden to homeowners. Smoke alarms that are functioning and working in homes are 97 percent effective in saving lives. If the issue is about saving lives over property, then smoke alarms are the direction to go and wired-in functioning fire alarm systems that can't be disarmed should be mandatory in every home. He opined that the loss of life in new construction is minimal because the building codes address fire issues when a home is constructed. There is already a fair amount of fire protection built into new homes, including fire caulking, fire walls, 20-minute fire doors, and 1-hour fire doors. Mr. Rauwolf characterized this [sprinkler system mandate] as more of a property loss issue than a life saving issue. He, too, opined that Alaska is

significantly different than Scottsdale, Arizona. With regard to the State Farm underwriter's comments, Mr. Rauwolf related his understanding from the State Farm underwriter in Ketchikan that [installation of sprinkler systems] would definitely raise the cost of homeowner's insurance because of the potential water damage issues. He noted that last year there were six failures of sprinkler systems that weren't related to fires. In conclusion, Mr. Rauwolf reiterated that [mandatory sprinkler systems] is more directed toward property loss than life saving issues. This is a significant issue that shouldn't be rammed down the public's throat without the public having additional time to listen to all the facts.

9:10:15 AM

GARY HALE, Fire Marshall, Central Emergency Services, related opposition to HB 202. He characterized the legislation as an unwanted limitation and adopting process that is being placed on local officials. There are already public hearings [on codes] that can address this type of business. Mr. Hale informed the committee that he has been in the fire service business for 35 years. He opined that the problem is that smoke detectors aren't making the cut, and therefore an alternative [fire suppressor] must be utilized. He noted that the City of Soldotna will soon adopt the 2009 IRC, but eliminating the sprinkler mandate because of opposition from the public and the homebuilder's association. Mr. Hale told the committee of the eight-year-old Habitat for Humanity house that has never had a false alarm. He described the system, noting that it doesn't utilize glycol. Mr. Hale opined that the sprinkler systems can work, but additional lives won't be saved if more mandates are made.

9:13:17 AM

DOUG SCHRAGE, Immediate Past President, Alaska Fire Chiefs Association, stated that although much of the debate has been about the merits of sprinkler systems, the legislation is about the process. The Alaska Fire Chiefs Association has no objection to more open public process or opportunities for input. However, the concern is that most fire departments lack the resources and expertise to perform a credible cost-benefit analysis that would stand up to a well-funded anti-sprinkler system media campaign. For example, it seems impossible to quantify the value of the lives saved or lost. Mr. Schrage opined that had similar requirements been made when the automobile industry installed air bags and seat belts into

vehicles, he wasn't sure those measures would've ever been taken. The [Alaska Fire Chiefs Association] knows of no specific initiative in Alaska to mandate sprinklers. Alaska has among the highest per capita fire fatality rates in the nation. Most of the fatalities occur in residences and 25 percent of the deaths are children. These fatalities occur with the existing smoke alarm requirements.

[9:15:35 AM](#)

REPRESENTATIVE CISSNA, referring to the death statistics, asked if the statistics specify the location, whether it was in rural or urban Alaska.

MR. SCHRAGE said that although he didn't have the specific statistics, he would say the deaths are distributed according to the population. Therefore, Anchorage, with the highest population in the state, would have the highest amount of fire fatalities. In further response, Mr. Schrage said he isn't certain the state collects information regarding whether the burned house was a new or old home. However, he highlighted that if communities were to adopt the residential code, which includes the sprinkler mandate, it would only apply to new construction.

[9:18:12 AM](#)

JIM HILL, Fire Chief, City of Ketchikan, stated that the issue isn't about [the merits of] sprinklers, rather it's the state dictating to cities how to run programs. Mr. Hill then related opposition to HB 202. He cautioned members to obtain confirmation regarding the information that has been offered regarding deaths from fires. For instance, with regard to the statistic that smoke alarms are 97 percent effective, the National Fire Protection Association relates that 37 percent of people who die in home fires die in structures with working and operational smoke detectors. For the benefits of sprinklers, Mr. Hill referred members to the following web site: www.sitnews.us.

[9:20:38 AM](#)

ART CLARK, Immediate Past President, Alaska Association of Realtors, related support for HB 202. Drawing upon the testimony he has heard at four hearings on this subject, Mr. Clark opined that the depth of information and the complexity of it indicates the need for more process. There is good

information on both sides of this matter, and the public needs a full and complete hearing when making a decision on sprinklers.

[9:21:38 AM](#)

MIKE TILLY, Fire Chief, City of Kenai, related opposition to HB 202. He then echoed Mr. Schrage's testimony in that HB 202 is about the process not sprinklers, which statistics have proven work. This legislation extends the process the community must follow and increases the amount of money that the community will have to expend to even consider adopting the proposed code. He acknowledged that HB 202 may not fit in rural areas, and pointed out that the residential [building] code doesn't apply in those areas. The [residential building code] only applies to deferred home rule communities, such as Kenai. In communities such as Kenai there is a process in place regarding the consideration of ordinances and that process works.

[9:23:36 AM](#)

CO-CHAIR HERRON, upon determining no one else wished to testify, closed public testimony.

[9:24:43 AM](#)

CO-CHAIR MUNOZ moved to adopt CSHB 202, Version 26-LS0776\R, Cook, 3/9/10, as the working document.

REPRESENTATIVE GARDNER objected.

[9:25:30 AM](#)

REPRESENTATIVE GARDNER moved Conceptual Amendment 1, which would remove all the language referring to a "cost-benefit analysis".

REPRESENTATIVE KELLER objected.

[9:26:07 AM](#)

CO-CHAIR HERRON surmised that the cost-benefit analysis language to which Conceptual Amendment 1 refers is located on page 2, lines 6-8, and lines 12-13.

[9:27:32 AM](#)

REPRESENTATIVE CISSNA asked if the language "prepare a cost-benefit analysis" in Version R provides room for the hearing

officers in each of the communities to decide whether it applies in each situation.

REPRESENTATIVE GARDNER reminded the committee of the testimony from AML regarding that it doesn't understand how detailed the cost-benefit analysis has to be. The lack of understanding, she opined, opens the door for much argument regarding what is meant. She further opined that it's good governance to specify what's the benefit and cost of [ordinances], which already happens. She questioned the meaning of the language ["cost-benefit analysis"] and stated her belief that it's not necessary to tell local governments. The provision is undefined enough that it could be problematic.

[9:29:19 AM](#)

CO-CHAIR MUNOZ related her agreement that the language is broad enough that it leaves it open to interpretation. However, she recalled testimony questioning how one would perform a cost-benefit analysis of a person's life. Therefore, she suggested that perhaps the language could simply refer to a "cost analysis" rather than a "cost-benefit analysis."

[9:30:38 AM](#)

REPRESENTATIVE KELLER explained that he objected because he doesn't view this as a dictate to local officials but rather as a protection of the right of Alaskans to make the cost-benefit analysis of their family. Representative Keller referred to HB 202 as transparent legislation, including the cost of the house. To eliminate the cost-benefit analysis presumes a lot, he opined.

[9:31:39 AM](#)

REPRESENTATIVE HARRIS expressed concern in regard to the lack of definition of the terms of "cost-benefit analysis." He said he doesn't have a problem mandating more exposure for the public, in terms of the ability to debate the matter. However, the cost-benefit analysis seems to create a situation in which the big hand of government is dictating to the smaller governments, which creates a cost. The open-endedness is of concern in terms of cost, he said.

REPRESENTATIVE KELLER remarked that Representative Harris makes really good points. He specified that he had no problem

deleting the term "benefit" and tying the "cost" to the house, which is a simple and inexpensive number to obtain.

[9:35:19 AM](#)

REPRESENTATIVE MILLETT opined that the question of cost will arise during the three public hearings required in paragraph (3), even without the cost-benefit analysis requirement. Therefore, she said she's not opposed to [Conceptual Amendment 1] and even to Representative Keller's amendment that only deletes the "benefit" language. She noted her agreement with Representative Harris regarding the open-endedness of the term "cost-benefit analysis" and the possible expense of it to the municipalities.

REPRESENTATIVE KELLER said that he takes issue with the assumption that the issue will arise during the public hearing process. He opined that it's not necessarily true that the cost of the zoning or code of the local community would be clear in the process. Therefore, he reiterated that he is open to eliminating the "benefit" language of the cost-benefit analysis, but maintained that there needs to be some statement regarding the impact on the cost of the house.

[9:37:52 AM](#)

REPRESENTATIVE GARDNER emphasized that she expects her local assembly to perform a cost-benefit analysis on whatever it does, but she remains concerned with the unfunded mandate and the potential lawsuit regarding the type of cost-benefit analysis to be performed.

CO-CHAIR MUNOZ called for the question.

REPRESENTATIVE KELLER maintained his objection.

[9:38:44 AM](#)

A roll call vote was taken. Representatives Cissna, Gardner, Harris, and Millett voted in favor of the adoption of Conceptual Amendment 1. Representatives Keller, Herron, and Munoz voted against it. Therefore, Conceptual Amendment 1 was adopted by a vote of 4-3.

[9:39:28 AM](#)

CO-CHAIR MUNOZ related that she still supports the idea of a "cost analysis."

CO-CHAIR HERRON expressed his desire to have a new committee substitute (CS) prepared in order to avoid any ambiguity. He then requested that Co-Chair Munoz prepare an amendment to the new CS in order to address the [removal of the "benefit" language].

REPRESENTATIVE KELLER interjected that it would merely require [reinserting the language deleted by Conceptual Amendment 1] without the word "benefit".

[9:40:44 AM](#)

CO-CHAIR MUNOZ suggested an amendment, which would reinsert the language deleted in Conceptual Amendment 1 without the word "benefit" but include the language "of sprinkler systems".

REPRESENTATIVE CISSNA related her understanding that "cost-benefit analysis" is a term of art and thus is well known. However, a "cost analysis" might not be as well known and would require a bit more care in building an amendment. This would be a situation in which input from Legislative Legal Services would be helpful.

CO-CHAIR MUNOZ disagreed and opined that the term "cost-benefit analysis" is more open to interpretation while requiring a "cost analysis of sprinkler systems" could review the impact of sprinklers per square foot. She related that the term "cost-benefit analysis" reviews a wide range of issues, including health and safety and other issues that aren't defined in this legislation.

REPRESENTATIVE CISSNA announced that she would obtain analysis from Legislative Legal Services if, in fact, Co-Chair Munoz's amendment is adopted.

[9:43:15 AM](#)

REPRESENTATIVE HARRIS explained that he objected to Co-Chair Munoz's suggested amendment, but supported Conceptual Amendment 1 because he believes when the governing bodies review the building codes, the cost will be one of the major factors of the decision. He said he couldn't believe the cost wouldn't be brought forward by any assembly member or member of the general public. He emphasized that the following two issues are being

addressed: the cost of installing sprinklers in a new home and the potential of extending the requirement to include existing homes and then there is the safety issue. He opined that folks will weigh the safety benefits against the cost of installing it in a new home. He then questioned whether installing a sprinkler systems is relevant to do in all areas of the state. There are rural areas, that is areas on wells, in urban areas of the state, he pointed out.

[9:46:46 AM](#)

REPRESENTATIVE KELLER pointed out that those who aren't present are those who already own a home or who don't anticipate owning a home. He questioned why he would advocate against an ordinance that would protect lives, but as a homeowner he would want to be able to make the choice regarding whether to install sprinklers. Therefore, he opined that the [cost analysis] is important to include in the legislation because there are individuals who wouldn't typically be present to advocate when ordinances are being considered.

REPRESENTATIVE HARRIS said he didn't see any reason to clutter the legislation with things that shouldn't be included. He reiterated that it seems obvious and straightforward that people will want to [know the cost], particularly since it will increase the value of the home and thus increase the property tax.

CO-CHAIR MUNOZ pointed out that if a cost analysis is required, then it becomes part of the record before the governing body when determining whether to include [the sprinkler system requirement] in the building code. She opined that it's appropriate to have information available equally to all members as the matter is considered.

[9:50:32 AM](#)

REPRESENTATIVE HARRIS highlighted that cost per square foot is variable on many factors.

[9:51:22 AM](#)

REPRESENTATIVE MILLETT pointed out that on page 2, line 5 the term "shall" is used in reference to preparing a cost-benefit analysis. The aforementioned is a mandate. She echoed earlier mentioned concerns regarding the lack of specificity regarding

the cost-benefit analysis. She also was sure that property taxes will increase if the term "shall" remains.

CO-CHAIR MUNOZ related her belief as follows: "That part has been removed." Therefore, the committee needs to determine whether to have just an analysis of the sprinkler system rather than a full-blown cost-benefit analysis.

CO-CHAIR HERRON announced that a hearing would be scheduled for Tuesday in order for the committee to take action on an amended CS for HB 202.

[9:52:35 AM](#)

CO-CHAIR MUNOZ moved to adopt Amendment 2, such that all the language on page 2, lines 6-8, and lines 12-13 is reinserted and the term "cost-benefit analysis" is replaced with "cost analysis of sprinkler systems".

REPRESENTATIVE HARRIS objected.

[9:53:34 AM](#)

REPRESENTATIVE KELLER clarified that the term "shall" is in the existing language and remains so, even with the adoption of Amendment 2.

[9:54:13 AM](#)

The committee took a brief at-ease.

[9:54:56 AM](#)

CO-CHAIR HERRON noted his agreement with Representative Keller.

[9:55:21 AM](#)

REPRESENTATIVE MILLETT related her understanding then that the adoption of Amendment 2 would result in the following. First, on page 2, lines 6-8, the language would read as follows: "prepare a cost analysis of the proposed ordinance as it may apply to the residential buildings to which the proposed ordinance or ordinance amendment will apply to sprinkler systems". Second, on page 2, lines 12-13, the language would read as follows: "a summary of the ordinance or ordinance amendment and a cost analysis of the sprinkler systems".

9:56:02 AM

REPRESENTATIVE CISSNA asked if there's a difference between the sprinkler system in the box versus the installation of the sprinkler system.

9:56:33 AM

CO-CHAIR MUNOZ pointed out that the language says "apply to residential buildings" and thus it would refer to the sprinkler system as it's applied to residential construction.

9:56:44 AM

CO-CHAIR MUNOZ withdrew Amendment 2 and announced that she would work on language to satisfy the intent of the committee.

[HB 202 was held over.]

9:57:18 AM

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:57 a.m.