

HB

130

<TARGET><BILL>HB 130</BILL><SUBJECT>HB
130</SUBJECT><COMM>SCRA27</COMM></TARGET>

SENATE COMMITTEE REPORT

DATE: 3/14/11

FURTHER: Labor and Commerce

DATE TURNED
IN TO OFFICE: 3/29/11

Community and Regional Affairs Committee considered CS FOR HOUSE BILL NO. 130(L&C)

HB 130-RESIDENTIAL SPRINKLER SYSTEMS

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

and recommends:

be replaced with SCS _____ (_____)
 Same Title Technical Title Change or New Title & SCR No. _____

adopt previous SCS _____ (_____)
 Same Title Technical Title Change or New Title & SCR No. _____

attached amendment(s)

adopt _____ Letter of Intent

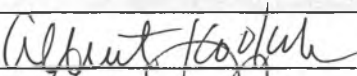
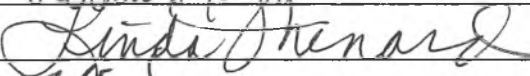
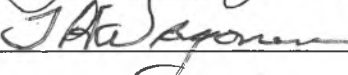
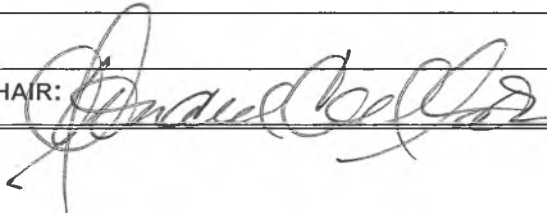
further referral to _____ Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DPS			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	KOOKKON	✓			
	MENARD	✗			
	WAGONER	✗			
CHAIR: 	BELL			✓	



ALASKA STATE LEGISLATURE HOUSE LABOR & COMMERCE COMMITTEE

REP. KURT OLSON

Chairman
State Capitol, Room 24
Juneau, AK 99801-1182
(907) 465-4954 Fax 465-3835

Rep. Craig Johnson, Vice- Chair

Rep. Mike Chenault

Rep. Lindsey Holmes

Rep. Dan Saddler

Rep. Steve Thompson

Rep. Bob Miller

Sponsor Statement

Committee Substitute for House Bill 130 (L&C)

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

House Bill 130 is in response to a national movement to require fire sprinkler systems in one and two-family dwellings. This legislation would require a more robust public process be followed before sprinklers can be mandated in new home construction.

HB 130 seeks to avoid broad mandates that will drive up costs for consumers in areas where sprinklers may not necessarily be needed without adequate public involvement.

HB 130 requires that before a municipality can mandate sprinkler systems in all new construction of residential buildings with one or two dwelling units they must first:

- At least 30 days prior to the first public hearing, publish a summary of the ordinance and notice the time and place of each scheduled public hearing;
- Hold three public hearings within not less than a 60-day period and not more than 180 day period.

This bill realizes there may be cases in Alaska where requiring sprinklers in one and two-family dwellings is necessary. Often, the geography at the location of new builds is such that firefighters cannot make it swiftly to a burning home. In those cases, HB 130 **would not** prohibit sprinkler mandates; it assures public awareness and participation in those decisions

I urge your support of this bill.



ALASKA STATE LEGISLATURE

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Summary of HB 130 Effects

1. House Bill 130 is a proactive response to a national and local movement to require fire sprinkler systems in one and two-family dwellings. This legislation does not prohibit Alaskans from choosing to install these systems in their new or existing homes; it simply augments the public process necessary for any attempt to make them **mandatory** on a local level.
2. House Bill 130 would require local governments, who choose to pursue mandatory residential fire sprinkler requirements, to make a small investment of time and money when considering inflicting another costly government mandate on its local homeowners.
3. Before allowing a local government to impose residential fire sprinklers on all new construction, this legislation would require them to first:
 - a. Publish a summary of the ordinance and a notice of the time and place of each of the scheduled hearings at least 30 days before the first hearing
 - b. Schedule a minimum of 3 public hearings
 - c. Hold the hearings between 60 and 180 days of the notice of the proposed ordinance

After this extended, open and transparent process, the local governing body may choose whether or not to approve a mandatory residential fire sprinkler requirement.

Talking Points for HB 130

1. House Bill 130 is a proactive response to a national and local movement to require fire sprinkler systems in one and two-family dwellings. This legislation does not prohibit Alaskans from choosing to install these systems in their new or existing homes; it simply augments the public process necessary for any attempt to make them **mandatory** on a local level.
2. House Bill 130 would require local governments, who choose to pursue mandatory residential fire sprinkler requirements, to make a small investment of time and money when considering inflicting another costly government mandate on it's local homeowners.
3. Residential fires sprinkler systems are expensive. Conservative estimates indicate that Alaskans could expect to pay between 3 to 5 dollars per square foot to have a system included in the construction of their new home. Additional costs could arise if the home was on a well or cistern system or the system required additional water storage or backflow preventers. Backflow preventers would most likely require an annual inspection which would cause an ongoing financial burden for the homeowner.
4. Significant technical problems still exist with having a fire sprinkler system installed in a residential dwelling. Pressurized sprinkler heads can be dislodged or disturbed due to many events common to family dwellings. Home owners may inadvertently get paint on a sprinkler head blocking its proper discharge if ever activated. Horseplay by overactive children and distracted teens could dislodge a sprinkler head and cause accidental discharge. Adults moving large pieces of furniture could accidentally dislodge a sprinkler head and result in unintentional water damage to the home.
5. Frozen pipes are a common problem in Alaska. An uninhabited residence that loses power and heat could easily have all its pipes frozen if it occurred during a typical winter cold spell. A burst pipe is an all too common experience for most Alaskans.
6. Changes in residential construction technology over the last twenty years have dramatically dropped the number of fatal fires in the U.S. including Alaska. Code provisions for fire separation, fire blocking and draft stopping, emergency escape and rescue openings, electrical circuit breakers, capacity and outlet spacing, reduced need for space heaters in energy efficient homes and many other improvements have made our homes more "fire safe" without undue financial burden to the homeowner.
7. House Bill 130 will continue to allow Alaskan homeowners the opportunity to invest in this additional layer of fire safety. It will also ensure that local governments will provide their constituents with an adequate public process if it is

considering implementing an unnecessary and expensive building code requirement on Alaskans, regardless of their financial or environmental situation.

8. Before allowing a local government to impose residential fire sprinklers on all new construction, this legislation would require them to first:
 - a. Publish a summary of the ordinance and notice the time and place of each of the scheduled hearings within 30 days of notice of the proposed ordinance
 - b. Schedule a minimum of 3 public hearings
 - c. Hold the hearings between 60 and 180 days of the notice of the proposed ordinance

After this extended, open and transparent process, the local governing body may choose whether or not to approve a mandatory residential fire sprinkler requirement.

Summary of HB 130 Effect

1. House Bill 130 is a proactive response to a national and local movement to require fire sprinkler systems in one and two-family dwellings. This legislation does not prohibit Alaskans from choosing to install these systems in their new or existing homes; it simply augments the public process necessary for any attempt to make them **mandatory** on a local level.
2. House Bill 130 would require local governments, who choose to pursue mandatory residential fire sprinkler requirements, to make a small investment of time and money when considering inflicting another costly government mandate on its local homeowners.
3. Before allowing a local government to impose residential fire sprinklers on all new construction, this legislation would require them to first:
 - a. Publish a summary of the ordinance and a notice of the time and place of each of the scheduled hearings at least 30 days before the first hearing
 - b. Schedule a minimum of 3 public hearings
 - c. Hold the hearings between 60 and 180 days of the notice of the proposed ordinance

After this extended, open and transparent process, the local governing body may choose whether or not to approve a mandatory residential fire sprinkler requirement.

Q & A for HB 130

1. What does this bill do?
 - a. It requires a robust public hearing process if a municipality considers requiring sprinklers in new construction of one and two family residences. It assures the public that such a major step cannot be done through adoption of some standard by reference and without clear public notice.
2. Does this require or prohibit Sprinklers in Single and two family homes?
 - a. No, it requires a discussion period prior to a municipality making a local decision on a sprinkler requirement
3. Is there any opposition to this proposal?
 - a. We know of no opposition. There is agreement that this bill allows for a robust local discussion at the local level where a decision can be made.
4. What might it cost to add sprinklers to new homes?
 - a. The costs vary but could add significantly to the cost of a home. Costs will be different in various communities; they would be identified and discussed during the hearing process.
5. What happened last year?
 - a. Time ran out on the bill. This bill represents a consensus of the folks who were involved in the bill in the last legislature. We are aware of no opposition.
6. How did those involved come to this agreement?
 - a. All involved agreed that the issue of requiring sprinklers in one and two family residences is a significant public policy question. This process encourages a full and transparent public process and leaves the decision at the local level where it belongs.



**ALASKA STATE
HOMEBUILDERS ASSOCIATION**

February 1, 2011

Representative Kurt Olson
State Capital, Room 24
Juneau, AK 99801-1182

Re: HB 130

Rep Olson,

We write to you in support of HB 130 (An Act relating to municipal building code requirements for fire systems in certain residential buildings, and providing for an effective date).

We are stating our support of HB 130 as a representative of the Alaska State Home Building Association (ASHBA), with 700 plus professionals operating and working in the construction industry. The organization has been in support of this form of legislation for approximately 2 years and we appreciate you taking the effort to re-introduce the legislation in its current form, and helping guide it through to its final passage.

This legislation will assist communities throughout Alaska to properly handle the manner in which proposed fire sprinkler ordinance in "One and Two Family Dwelling Units" is presented, and will give those affected by such an ordinance the appropriate time table to defend such introduction.

If you are in need of any members of the association present to testify, or require any assistance with HB 130 please do not hesitate to ask.

Thank you in advance for all your help,

Dave Owens
President ASHBA

Alan Wilson
Co-Chair ASHBA
Legislative Committee

Paul Michelsohn
Co-Chair ASHBA
Legislative Committee



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February 4, 2011

Representative Kurt Olson
Alaska House of Representatives
State Capitol Building Room 24
Juneau, Alaska 99801

RE: HB 130 - "An act relating municipal building code requirements for fire sprinkler systems in certain residential buildings."

The Alaska Association of REALTORS® with over 1,600 members statewide supports House Bill 130, which relates residential sprinklers in certain residential buildings.

The Alaska Association of REALTORS® believes that HB 130 is a proactive response to a national movement to require fire sprinkler systems in one and two-family residential dwellings.

The mandate of sprinklers systems will cause a dramatic increase to not just the construction cost of homes, but also to the maintenance, resale and insurance costs.

The increased cost will keep many Alaskans from moving from older houses or rentals into otherwise safer and newly constructed homes that will offer modern smoke alarm systems, firewalling and other proven safety features. Yearly inspections and related upgrades and repairs will also be costly.

HB 130 asks that the people that are affected by this be advised of this incredible burden before the governing body adopts the new rule. Citizens of Alaska should not be subject to this mandate without proper notification and input.

The Association encourages the passage of House Bill 130.

Sincerely,

A handwritten signature in cursive script that reads 'Dave Somers'.

Dave Somers
Alaska Association of REALTORS®
Industry Issues Chairman





ALASKA FIRE CHIEF'S ASSOCIATION

2358 Bradway Road, North Pole, Alaska 99705

Phone: (907) 488-3400

FAX: (907) 488-6118

February 14, 2011

Representative Bob Herron
State Capitol Room 411
Juneau AK, 99801

Dear Representative Herron,

I want to thank you and your staff for the work that you have done on HB130 - "An Act relating to municipal building code requirements for fire sprinkler systems in certain residential buildings; and providing for an effective date."

The Alaska Fire Chiefs Association does not oppose HB130 as it is currently drafted.

We look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Tucker".

Jeff Tucker, President
Alaska Fire Chiefs Association



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TO: Alaska State Legislature

March 2011

From: Alaska Association of REALTORS[®]

RE: 2011 Legislative Priorities

The following are the Alaska Association of REALTORS[®] 2011 Legislative Priorities. The Association encourages your support on these issues.

HB 130 - "An Act relating to municipal building code requirements for fire sprinkler systems in certain residential buildings; and providing for an effective date."

Sponsor: House Labor & Commerce Committee

The Alaska Association of REALTORS[®] supports HB 130, which is a proactive response to a national movement to require fire sprinkler systems in one and two-family residential dwellings. In September 2008, the 2009 International Residential Code (IRC) was adopted which included a residential sprinkler mandate.

The mandate of sprinkler systems will cause a dramatic increase to not just the construction cost of homes, but also to the maintenance, resale and insurance costs.

The increased cost will keep many Alaskans from moving from older houses or rentals into otherwise safer and newly constructed homes that will offer modern smoke alarm systems, firewalling and other proven safety features.

Yearly inspections will be costly and related upgrades and repairs will also be costly. If the systems are not inspected according to code requirements, the homeowner will find that their insurance carrier may deny claims.

HB 130 asks that the people that are affected by this be advised of this incredible burden before the governing body adopts the new rule. Citizens of Alaska should not be subject to this mandate without proper notification and input.



HB 188 - "An Act relating to the interest that may be charged by one express agreement."

Sponsor: House Labor & Commerce Committee

The Alaska Association of REALTORS[®] supports HB 188, which would allow land owners who wish to finance the sale of their property that is valued at \$25,000 or less, be allowed to charge an interest rate that would be the greater of 10% or 5% above the Federal Reserve rate at the time of the loan.

Currently, Alaska Statute 45.45.010(b) sets the maximum interest rate for loans below \$25,000 at 5 percentage points above the rate charged to banks by the 12th Federal Reserve District. In 1981, the last time this section was addressed, the Federal Reserve Rate was 14%. Thus the maximum allowed was 19%. Today the 12th Federal Reserve Rate is approximately 0.75%. Thus the current maximum interest allowed is 5.75%.

It is doubtful anyone contemplated such a low rate when Alaska's usury laws were adopted. Currently, landowners who wish to finance the sale of their property are limited to an interest rate of 5.75%. Such a low rate is a strong disincentive to individuals offering financing on such transactions and buyers who are willing to pay a more reasonable rate of interest are losing out on the ability to participate in real estate ownership due to the current restrictions.