



**THE COUNCIL OF THE CITY OF NEW YORK
FINANCE DIVISION**

LATONIA MCKINNEY, DIRECTOR

FISCAL IMPACT STATEMENT

INTRO. NO: 1101

COMMITTEE: Housing and Buildings

TITLE: A Local Law in relation to a temporary waiver of penalties for violations relating to fuel gas piping systems and appliances that are promptly repaired

SPONSOR(S): Council Members Williams, Palma and Richards

SUMMARY OF LEGISLATION: Int. No. 1101 would require the Commissioner of the Department of Buildings (“DOB”) to establish a temporary fuel gas violation resolution program to allow owners of buildings with fuel gas piping systems or appliances which violate any provision of the New York City Construction Codes to bring such systems or appliances into compliance with such codes without penalties

Eligibility for the program would be restricted to building owners who own one or more buildings where the fuel gas piping systems have been installed in violation of the construction codes or applicable rules, and who begin work to bring these piping systems into compliance before the end of six months following the effective date of the law.

Lastly, DOB would be required to conduct outreach to building owners for participation in this program and post information regarding the program on DOB’s website.

EFFECTIVE DATE: This local law would take effect 120 days after it becomes law, except that DOB may promulgate rules or take other actions for the implementation of this local law prior to such effective date.

FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED: Fiscal 2018

FISCAL IMPACT STATEMENT:

	Effective FY17	FY Succeeding Effective FY18	Full Fiscal Impact FY18
Revenues	\$0	<i>(de minimis)</i>	<i>(de minimis)</i>
Expenditures	\$0	\$0	\$0
Net	\$0	<i>(de minimis)</i>	<i>(de minimis)</i>

IMPACT ON REVENUES: DOB collects revenue from penalties and fees associated with unsafe buildings. According to the New York City Office of Management and Budget, for the period January 2006 to December 2013, DOB collected an estimated \$1.4 million in revenue from penalties and fees resulting from unsafe building violations issued for gas and plumbing work. Assuming the number of violations related to fuel gas piping systems remains relatively constant, it is estimated that foregone revenue resulting from properties qualifying after the passage of this legislation would be under \$100,000 in Fiscal 2018. The temporary waiver of fines for improper fuel gas piping alterations and installations would be one-time event, thus the fiscal impact will not be forecasted into DOB’s Revenue Plan for Fiscal 2018 and the out years.

IMPACT ON EXPENDITURES: It is anticipated that there would be no impact on expenditures resulting from the enactment of this legislation because existing resources would be used to implement the provisions of this local law.

SOURCE OF FUNDS TO COVER ESTIMATED COSTS: Not applicable

SOURCE OF INFORMATION: New York City Council Finance Division
New York City Department of Buildings
New York City Office of Management and Budget

ESTIMATE PREPARED BY: Sarah Gastelum, Senior Legislative Financial Analyst

ESTIMATED REVIEWED BY: Rebecca Chasan, Counsel
Chima Obichere, Unit Head
Nathan Toth, Deputy Director

LEGISLATIVE HISTORY: This legislation was introduced to the full Council on February 24, 2016 and was referred to the Committee on Housing and Buildings. A hearing was held by the Committee on Housing and Buildings on April 12, 2016 and the bill was laid over. The Housing and Buildings Committee will vote on Intro. No. 1101 on November 15, 2016. Following a successful Committee vote, the bill would be submitted to the full Council for a vote on November 16, 2016.

DATE PREPARED: November 14, 2016