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|  | **The Council of the City of New York**  **Finance Division**  **Latonia McKinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No: 836-A**  **Committee: Housing and Buildings** |
| **Title:** A Local Law to amend the administrative code of the city of New York, the New York city building code, the New York city mechanical code and the New York city fire code, in relation to approval processes for alternative automatic fire extinguishing systems, fire alarm systems, emergency alarm systems, fire department in building auxiliary radio communication systems and fire protection plans. | **Sponsors:** Council Members Cornegy, Kallos and Constantinides (by request of the Mayor) |

**Summary of Legislation:** Proposed Intro. No. 836-A would consolidate and simplify the processes for reviewing and approving the installation and alteration of alternative automatic fire extinguishing systems, the installation and alteration of fire alarm systems, and the finalization of fire protection plans by consolidating these processes under the Fire Department (FDNY), eliminating the requirement to file with the Department of Buildings (DOB). The current approval process for alternative automatic fire extinguishing systems, includes multiple steps for small business owners at both DOB and the FDNY.

**Effective Date:** This local law would take effect 180 days after it becomes law and would apply to applications for approval submitted on or after such effective date, except that prior to such effective date the Commissioner of Buildings and the Fire Commissioner may promulgate rules or take other actions to implement this local law.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2020

**Fiscal Impact Statement:**

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|  | **Effective FY19** | **FY Succeeding Effective FY20** | **Full Fiscal Impact FY20** |
| **Revenues** | ($1,376,050) | ($5,504,203) | ($5,504,203) |
| **Expenditures** | $0 | $0 | $0 |
| **Net** | ($1,376,050) | ($5,504,203) | ($5,504,203) |

**Impact on Revenues:** Based on the current volume of applications for approval of alternative automatic fire extinguishing systems, fire alarm systems, and fire protection plans, it is estimated that the elimination of DOB filing fees for each of these applications would reduce revenue by $7,319,203 annually. The FDNY currently processes about 9,800 applications for approval for covered buildings annually and estimates a 15 percent increase in the number of applications it will process. It is estimated that the addition of fees for the filing, review, and approval process for alternative automatic fire extinguishing systems, fire alarm systems, and fire protection plans under the FDNY would increase revenue by $1,815,000 annually. Collectively, the net fiscal impact resulting from the elimination of DOB filing fees and the addition of FDNY filing fees is expected to reduce revenue by $1,376,050, prorated for the last quarter of Fiscal 2019, and $5,504,203 annually thereafter and in the outyears.

**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 by DOB and FDNY to implement the provisions of this local law.

**Source of Funds To Cover Estimated Costs:** General Fund

**Source of Information:** New York City Council Finance Division

New York City Fire Department

New York City Department of Buildings

New York City Office of Management and Budget

New York City Department of Small Business Services

Mayor’s Office of Legislative Affairs

**Estimate Prepared by:** Sarah Gastelum, Principal Financial Analyst

**Estimated Reviewed by:** Rebecca Chasan, Senior Counsel

**Legislative History:** This legislation was introduced to the full Council on April 25, 2018 as Intro. No. 836 and was referred to the Committee on Housing and Buildings (Committee). A hearing was held by the Committee on June 12, 2018, and the bill was laid over. The legislation was subsequently amended and the amended version, Proposed Intro. No. 836-A, will be considered by the Committee on October 31, 2018. Following a successful Committee vote, the bill will be submitted to the full Council for a vote on October 31, 2018.

**Date Prepared:** October 25, 2018