

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

SPS 361-Administration and Enforcement, SPS 362-Buildings and Structures, SPS 363-Energy Conservation, SPS 364-Heating, Ventilation and Air Conditioning, SPS 365-Fuel Gas Appliances, SPS 366-Existing Buildings, SPS 366 Appendices A and B

3. Subject

Update standards for the design, construction, maintenance and inspection of public buildings, multifamily dwellings, and places of employment (Wisconsin's Commercial Building Code).

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.165(2)(j)

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect Increase Existing Revenues Increase Costs
 Indeterminate Decrease Existing Revenues Could Absorb Within Agency's Budget
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy Specific Businesses/Sectors
 Local Government Units Public Utility Rate Payers
 Small Businesses (if checked, complete Attachment A)

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

9. Policy Problem Addressed by the Rule

Chapters SPS 361 to 366, which are collectively referred to as Wisconsin's Commercial Building Code, establish minimum design, construction, maintenance, and inspection standards for Wisconsin's commercial buildings. The objectives of this rule revision were to update outdated references to model building codes and other standards incorporated by reference throughout chs. SPS 361 to 366, clarify language and incorporate provisions from legislation enacted since the previous rule update. The revision also meets federal and state requirements that the department review energy conservations standards.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

This rule was developed in consultation with the Wisconsin Commercial Building Code Council, with members that represent building contractors, building inspectors, fire services professionals, and architects, engineers, and designers.

11. Identify the local governmental units that participated in the development of this EIA.

To develop this rule revision, the Wisconsin Commercial Building Code Council reviewed significant changes in each of the model building codes. The make-up of the council included local government representation. A list serve was used to reach over 4,000 interested parties and stakeholders to relay notice of the proposed rules.

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The rule is expected to result in minimal cost to builders and owners. Building contractors, architects, engineers, and designers will benefit from clearer regulations that will bring Wisconsin's buildings into alignment with prevailing industry practices and are in alignment with neighboring states and with industry practices. Owners will benefit from buildings that incorporate new technologies that improve building safety. Improved energy technologies will benefit owners financially by reducing energy costs. Society as a whole benefits from efforts to decrease the use of energy.

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13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

This update is necessary to keep Wisconsin's commercial building code consistent with regional and national construction and fire prevention practices and standards and with legislation enacted since the previous update of the commercial building code. This rule revision also meets requirements under ss. 101.027 (2) and (3), Stats., that the department review energy conservation standards. If the rule is not adopted, Wisconsin commercial buildings will not incorporate the latest techniques for public safety or energy conservation. Over time, these buildings will cost more to own than if the buildings met current standards.

14. Long Range Implications of Implementing the Rule

Adopting this rule will keep Wisconsin's commercial building code current with industry practices and new technologies designed to increase public safety and reduce energy costs.

15. Compare With Approaches Being Used by Federal Government

In general, standards for commercial buildings are not established by the federal government. There are two federal requirements that impact commercial buildings. Section 304 (a) of the Energy Conservation and Production (Act), as amended, encourages states and local governments to adopt and enforce model energy standards determined by the Department of Energy (DOE) to result in energy savings. States are required to review the model standards, which are found in the International Energy Conservation Code (IECC) and American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ANSI/ASHRAE/IESNA) Standard 90.1, whenever they are updated and determined by the DOE to result in energy savings. Within 2 years of that determination, each state is required to review the standards and incorporate provisions of the standards into the state's building code to meet or exceed the federal energy conservation standards. Similar to federal requirements, s. 101.027 (2), Wis. Stats., requires the department to review the energy conservation codes and promulgate rules to improve energy conservation. This rule revision meets both the federal and state energy code review requirements. Federal law also establishes accessibility requirements for the disabled, which are outlined in 28 CFR parts 35 and 36 and 24 CFR parts 40, 41 and 100. The American National Standard: Accessible and Usable Buildings and Facilities, (ICC A117.1), which is incorporated into 24 CFR 100 by reference, is the federal technical standard for the design of housing and other facilities which are accessible to persons with disabilities as referenced in the federal Fair Housing Act. Wisconsin meets these federal requirements through adoption of the International Building Code. Chapter 11 of the IBC addresses accessibility requirements and incorporates ICC A117.1 as a secondary standard.

16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Wisconsin: Wisconsin proposes updating the model building codes incorporated by reference in chs. SPS 361 to 366 from the 2009 edition to the 2015 edition, with modifications to substitute Wisconsin's administrative procedures for chapter 1 in each of the codes and other modifications to meet Wisconsin's unique building needs. This approach is similar to the approach used in neighboring states.

Illinois: Illinois local jurisdictions are primarily responsible for adopting building codes in Illinois. However, the state's Capital Development Board establishes standards for buildings in non-building code jurisdictions. Illinois adopts the 2015 edition of the ICC codes, with the exception that they adopt the 2009 IBC.

Iowa: Iowa recently updated its state building code, with changes that went into effect on May 18, 2016. Iowa adopts the 2015 IBC and IEBC and the 2012 IECC, with a few modifications to adapt the rule to administrative requirements specific to Iowa.

Michigan: Michigan is currently in the process of updating its building, rehabilitation, mechanical, and commercial energy codes to adopt the 2015 editions of the model building codes to replace the 2012 editions, with modifications, they currently adopt.

Minnesota: Minnesota adopts the 2012 editions of the IBC, IEBC, IECC and IMC with certain modifications to adapt the rules to Minnesota's administrative procedures and to modify the model codes to Minnesota's building needs.

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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

The commercial building code applies to a wide range of businesses with provisions that address various types of building occupancies that include such diverse businesses as restaurants and taverns, which are considered assembly occupancies, warehouses and other storage facilities, department stores and other retail stores, factories and various other types of businesses such as banks, car washes, print shops, and beauty shops. Small businesses must meet building code requirements. However, the rule exempts smaller buildings that often could be associated with many small businesses, from plan review requirements and, in many cases, from other requirements such as automatic sprinkler requirements.

The economic and fiscal impact of this rule cannot be determined and will vary greatly depending on the size and complexity of each building project. However, this rule revision is not anticipated to have a significant economic or fiscal impact on each building sector. It will benefit small businesses in that it will reduce energy costs making the building cheaper to own over time than without the rule revision and it will improve building safety.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

The department solicited comments on the economic impact of the rule from industry. The rule was developed with input from the statutorily created Wisconsin Commercial Building Code Council. The council included a range of representatives and held meetings for a year and half, which provided an opportunity for continual public input on proposed rule provisions and their potential economic impact.

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

The Department reviewed significant changes to the international model building codes to identify requirements that could impose an undue financial burden that do not appear to be offset by improved life-safety or cost savings. The proposed rules include sprinkler exemptions for certain occupancies. Additionally, the IBC exempts smaller buildings from several requirements. Consequently, the rule is expected to result in minimal cost to builders and owners. Building contractors, architects, engineers, and designers will benefit from clearer regulations that will bring Wisconsin's buildings into alignment with prevailing industry practices and are in alignment with neighboring states and with industry practices. Owners will benefit from buildings that incorporate new technologies that improve building safety and energy efficiency, thereby reducing energy costs.

5. Describe the Rule's Enforcement Provisions

In accordance with s. SPS 361.35, the department may revoke any approval issued under chs. SPS 361-366 for any false statements or misrepresentation of facts on which an approval was based. In accordance with s. SPS 303.13, the division may issue an order to immediately cease any construction, installation, operation, or activity or the use of a building, building component, structure or mechanical device if there is an imminent danger to public safety or health as a result of a violation of a statute or administrative rule administered by the division or if the activity or operation is being conducted without the required permit, license, certification, or registration.

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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