



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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### **13 VAC 5-51 – Statewide Fire Prevention Code**

#### **Department of Housing and Community Development**

October 6, 2004

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

### **Summary of the Proposed Regulation**

The General Assembly mandates in §27-97 of the Code of Virginia that the Virginia Board of Housing and Community Development adopt and promulgate a Statewide Fire Prevention Code (SFPC), developed cooperatively with the Fire Services Board.

The proposed regulation updates the International Fire Code (IFC) incorporated by reference in the SFPC from the 2000 edition to the 2003 edition. It also updates references to the Uniform Statewide Building Code (USBC) including references to USBC retrofit provisions relating to fire protection equipment and system requirements. Finally, the proposed regulation deletes language in the existing regulation made redundant by the adoption of the 2003 IFC.

### **Estimated Economic Impact**

The proposed regulation updates the IFC incorporated by reference in the SFPC from the 2000 edition to the 2003 edition. A preliminary review of the differences between the 2000

edition and the 2003 edition of the IFC by DHCD indicated that new comprehensive regulations for hydrogen motor fuel dispensing and generating facilities have been added to the 2003 IFC. Previous editions of the IFC referenced National Fire Protection Association (NFPA) standards for the use of hydrogen gas at consumer sites. The International Code Council (the organization that develops the IFC) set up a committee to review all existing standards for hydrogen gas and develop regulations for the international codes. The committee reviewed all existing standards, i.e., the NFPA standards for the use of hydrogen gas at consumer sites and other standards referenced in turn by the NFPA. Moreover, as hydrogen fuel use is an emerging technology, the committee also considered latest developments in the use of hydrogen as fuel. According to DHCD, the standards so developed encompass all aspects of the use of hydrogen as fuel and are consistent with existing standards. DHCD does not believe that the provisions relating to the generation and distribution of hydrogen motor fuel in the most recent edition of the IFC are significantly different from existing requirements. Moreover, these provisions were developed in cooperation with the hydrogen industry and were based on the latest industry standards. Finally, as the use of hydrogen as motor fuel is not currently widespread, the number of entities potentially affected by a change in these standards is not likely to be large. DHCD is not aware of any facilities in Virginia involved in the generation and distribution of hydrogen as motor fuel. Thus, updating to the 2003 IFC is not likely to have a significant effect on the hydrogen industry in Virginia.

The proposed regulation also updates references to the USBC, including references to USBC retrofit provisions relating to fire protection equipment and system requirements. The existing USBC is being repealed and a new regulation is being promulgated in its place. References to the USBC in the proposed regulation are updated to reflect this change. Specifically, reference to the USBC retrofit provisions in the proposed regulation is updated. However, according to DHCD, there are no substantive changes to these provisions in the new USBC. Based on a preliminary analysis by DHCD, there are seven substantive changes between the new and existing USBC. However, as the SFPC is an operation and maintenance code and not a construction code, the agency believes that none of these changes is likely to have a significant effect on the use and implementation of the SFPC or on compliance with its requirements. However, some additional retraining of fire officials may be required in order to familiarize them with the major changes to the USBC.

The proposed regulation also deletes language in the existing regulation made redundant by the adoption of the 2003 IFC. According to DHCD, the language being deleted deals with Virginia-specific variances to the 2000 IFC. The need for these variances has been made moot by the adoption of the 2003 IFC that now incorporates these variances.

As none of the changes appear to be substantive, the proposed regulation is not likely to have a significant economic impact. By updating references to newer versions of nationally recognized codes and standards, the proposed changes are likely to increase the consistency and uniformity of these practices across states. To the extent that it improves understanding and implementation of the regulation and makes these practices consistent with those used elsewhere in the country, the proposed changes are likely to produce some economic benefits. Against these benefits there are likely to be some additional costs associated with retraining fire officials such that they are familiar with any major changes to the USBC.

DHCD states in its agency document that it anticipates receiving requests during the public comment period for substantive changes to this regulation. Depending on the nature of the comments received, the agency may choose to re-propose the regulation with additional changes. According to DHCD, they have received a number of proposals for changes to the proposed regulation. These include easing some of the restrictions on the use of black gunpowder in old-fashioned firearms such as muskets and allowing for the use of propane grills on the decks of some smaller buildings. In addition, the Fire Services Board code committee has indicated that they intend to submit proposals for change including increasing the maximum size of a trash can permitted for use without a lid, adding an exception to the fireworks provisions to allow flares, and adding new language or modifying existing language to clarify various aspects of the regulation. The agency has not yet had a chance to evaluate the proposals for change.

## **Businesses and Entities Affected**

The proposed regulation applies to all businesses and individuals responsible for the maintenance and operation of buildings and structures in a manner that safeguards life and property from the hazards of fire, including building owners and operators and inspectors and other officials responsible for enforcing the SFPC. Specifically, the proposed regulation may result in some additional training for fire code officials such that they are familiar with the more substantive changes to the USBC.

## **Localities Particularly Affected**

The proposed regulation applies to all localities in the Commonwealth.

## **Projected Impact on Employment**

The proposed regulation is not likely to have a significant impact on employment.

## **Effects on the Use and Value of Private Property**

The proposed regulation is not likely to have a significant impact on the use and value of private property.