

MINUTES OF THE HOUSE COMMERCE & ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairperson Anthony R. Brown, at 1:30 p.m. on January 26, 2011, in Room 785 of the Docking State Office Building.

All members were present except:

Representative Kleeb

Representative Frownfelter

Committee staff present:

Renae Jefferies, Office of the Revisor of Statutes

Ken Wilke, Office of the Revisor of Statutes

Reed Holwegner, Kansas Legislative Research Department

Raney Gilliland, Kansas Legislative Research Department

Joyce Bishop, Committee Assistant

Conferees appearing before the Committee:

Ryan Almes, Fire Marshal, City of Manhattan, Kansas

William W. Sneed, Legislative Counsel, State Farm Insurance Companies

Brad Henson, President, Fire Marshals Association of Kansas

Mike Hall, President, Fire Education Association of Kansas

Raymond B. Bizal, P.E., Southwest Regional Director, National Fire Protection Association

Darlene Whitlock, Legislative Liaison, Safe Kids Kansas

Sandy Jacquot, General Counsel, League of Kansas Municipalities

Jeff Hudson, Past President, Kansas State Association of Fire Chiefs

Patrick P. Dunn, President, Kansas City, Kansas Firefighter's Relief Association

Erik Sartorius, Assistant City Manager, City of Overland Park, Kansas

Melissa A. Wangemann, General Counsel, Kansas Association of Counties

Wesley E. Galyon, President/CEO, Kansas Building Industry Association

Richard Stewart, Construction Director, Wichita Habitat for Humanity, Inc.

Luke Bell, Kansas Association of Realtors

Ed Jaskinia, The Associated Landlords of Kansas

Art Brown, Mid-America Lumbermen's Association

Mike Brown, Board Member, Home Builder's Association of Greater Kansas City

Martha Neu Smith, Executive Director, Kansas Manufactured Housing Association

Ashley Jones-Wisner, Director of State Policy, Greater Kansas City Local Initiatives Support Corporation

Others attending:

See attached list.

Chairperson Brown opened the hearing on **HB 2088, Municipalities; sprinkler systems, residential housing; changes.**

The following individuals provided written testimony only as opponents to the bill:

Ryan Almes, Fire Marshal, City of Manhattan, Kansas (Attachment 1)

William W. Sneed, Legislative Counsel, State Farm Insurance Companies (Attachment 2)

Brad Henson, President, Fire Marshals Association of Kansas (Attachment 3)

Mike Hall, President, Fire Education Association of Kansas (Attachment 4)

Raymond B. Bizal, Southwest Regional Director, National Fire Protection Association (Attachment 5)

Darlene Whitlock, Legislative Liaison, Safe Kids Kansas (Attachment 6)

CONTINUATION SHEET

Minutes of the House Commerce & Economic Development Committee at 1:30 p.m., on January 26, 2010, in Room 785 of the Docking State Office Building

Chairperson Brown requested testimony from opponents of the bill and the following individuals made presentations:

Sandy Jacquot, General Counsel, League of Kansas Municipalities ([Attachment 7](#))

Jeff Hudson, Past President, Kansas State Association of Fire Chiefs ([Attachment 8](#))

Patrick P. Dunn, President, Kansas City, Kansas Firefighter's Relief Association ([Attachment 9](#))

Erik Sartorius, Assistant City Manager, City of Overland Park, Kansas ([Attachment 10](#))

Melissa A. Wangemann, General Counsel, Kansas Association of Counties ([Attachment 11](#))

Chairperson Brown requested testimony from proponents of the bill and the following individuals made presentations:

Wesley E. Galyon, President/CEO, Kansas Building Industry Association ([Attachment 12](#))

Richard Stewart, Construction Director, Wichita Habitat for Humanity, Inc. ([Attachment 13](#))

Luke Bell, Kansas Association of Realtors ([Attachment 14](#))

Ed Jaskinia, The Associated Landlords of Kansas ([Attachment 15](#))

Art Brown, Mid-America Lumbermen's Association ([Attachment 16](#))

Mike Brown, Board Member, Home Builder's Association of Greater Kansas City ([Attachment 17](#))

Martha Neu Smith, Executive Director, Kansas Manufactured Housing Association ([Attachment 18](#))

Ashley Jones-Wisner, Director of State Policy, Greater Kansas City Local Initiatives Support Corporation ([Attachment 19](#)). When asked to speak, Ashley requested her testimony be written only.

Chairperson Brown closed the hearing on the bill.

Chairperson Brown opened the floor for discussion of the bill previously heard, **HB 2054, Abolishing KTEC: transferring duties to department of commerce and board of regents.**

Representative Peck moved, seconded by Representative Schwab, to report **HB 2054** favorable for passage from the committee.

Representative Slattery moved page 24, lines 36 & 37 be stricken.

Ken Wilke distributed additional balloon amendments regarding the bill.

Representative Slattery withdrew his motion.

Ken Wilke explained the first proposed balloon amendment to **HB 2054** ([Attachment 20](#)).

Representative Schwab moved, seconded by Representative Slattery, to accept the first amendment presented by Ken Wilke ([Attachment 20](#)).

Ken Wilke explained the second proposed balloon amendment to **HB 2054** ([Attachment 21](#)).

Representative Schwab moved, seconded by Representative Osterman, to accept the second amendment presented by Ken Wilke ([Attachment 21](#)).

CONTINUATION SHEET

Minutes of the House Commerce & Economic Development Committee at 1:30 p.m., on January 26, 2010, in Room 785 of the Docking State Office Building

Ken Wilke explained the third proposed balloon amendment to **HB 2054** (Attachment 22).

Representative Slattery moved, seconded by Representative Schwab, to accept the third amendment presented by Ken Wilke (Attachment 22).

Representative Schwab moved, seconded by Representative Mesa, to recommend the substitute motion to pass **HB 2054** as amended favorably from committee. The motion passed on a voice vote.

The next meeting is scheduled for January 27, 2010.

The meeting was adjourned at 3:00 p.m.

HOUSE COMMERCE & ECONOMIC DEVELOPMENT COMMITTEE
 1:30pm,
 Room 785, Docking State Office Building

GUEST LIST

DATE: January 26, 2010

NAME	REPRESENTING
DICK CARTER	CITY OF MANHATTAN
MIKE PRESSGROVE	KBIA, THBA, PDQCONSTRUCTION
KEITH KERNS	Topka THBA, KERNS CONST.
Robert K. Smith	OTter KS.
Doris E. Nelson	Sumner City, KS
SPRINT DOORS	KBIA, TABA, Prime Builders, Manhattan
SARA CORLESS	KC HBA
Steven Cowen	Home Builders Assoc of GKC
Luke Bell	KS Association of REALTORS
Dan Wherry	Federico Consultr
Kevin Flory	Kansas State Firefighters Association
Wilton Dod	Dod Installations
Jana Dod	Dod Installations
LEON A. GREASEL	LIFESTYLE Homes Group, Inc.
Thomas A. Baalmann	B+B Lumber Co
GARY PASHMAN	GARY PASHMAN CONSTRUCTION
MARK Swearing	Overland Park Fire Dept.
John W. MATTOX	SHAWNEE FIRE DEPT.

House Committee on Commerce and Economic Development

Hearing on House Bill 2088

Wednesday, January 26, 2011

Written Testimony of Ryan Almes

Fire Marshal, City of Manhattan, Kansas

Good afternoon Chairperson Brown, Vice Chairperson Suellentrop, and Honorable Members of the House Commerce and Economic Development Committee. My name is Ryan Almes and I serve as the Fire Marshal for the City of Manhattan Fire Department. I also had the opportunity to represent the Kansas Professional Fire Chiefs Association serving on a committee charged with discussing the fire sprinkler issue with the proponents of the fire sprinkler prohibition legislation. I want to thank you for this opportunity to provide written testimony to the Committee regarding House Bill 2088.

The City of Manhattan opposes House Bill 2088 because it limits the Home Rule authority of cities to adopt the building and fire codes that best serve their communities. Constitutional Home Rule is the cornerstone of municipal government and should not be preempted by State action.

House Bill 2088 removes the local jurisdiction's ability to adopt local codes in the interest of public safety for our citizens that we serve. In Manhattan, there is an extensive public review process when staff recommends the adoption of new or updated building codes. The City Commission weighs all of the evidence and public input and ultimately makes the decision that is best for Manhattan. Please do not prevent that deliberative process by enacting state legislation that forces a uniform policy upon all cities without consideration to their unique characteristics and community desires.

For many years the City of Manhattan has required fire sprinklers in new multi-family structures of three or more units. We do not require sprinklers for one and two family residential structures. We have adopted the provision of the International Fire Code that requires two means of access to a residential development. This requirement is intended to maximize the ability of public safety personnel to respond quickly to fire emergencies. In the past we have allowed an exception to provide residential fire sprinklers in lieu of a second means of access to a residential development, which is allowed in the International Fire Code. In Manhattan, a developer has a choice to avoid providing a secondary means of access to a development by voluntarily providing residential fire sprinklers. This is not a requirement, but it has allowed flexibility for development to occur in areas where a second access is infeasible and cost prohibitive. We need to preserve the ability to implement creative solutions like this at the local level.

Last year Conference Committee Report 2472 effectively eliminated the ability of local governments to adopt the International Residential Code without first amending out a provision to require fire sprinklers in all new residential structures. The bill is set to sunset on July 1, 2011, with the intent that opponents and proponents of the bill would meet before the next session to develop a compromise. The committee to discuss the fire sprinkler legislation was comprised of the opponents of the legislation including the Fire Service, League of Kansas Municipalities and the Kansas Association of Counties and the proponents including the Kansas Association of Realtors, the Kansas Building Industry Association and Kansas Manufactured Housing Association. It is my opinion that the opponents of the legislation including the Fire Service, sat at the table in a good faith effort to find compromise with home builders and their representatives. A proposal was presented to move the residential sprinkler language to the Appendix of the International Residential Code, as it was in previous editions of the code, and as was supported by the National Association of Home Builders. This compromise would require communities to affirmatively adopt the provision through a public process. The proponents on the committee never provided feedback from the groups that they represent on our proposal. The committee only met two times throughout the

year, based on a timeline proposed by the proponents of the legislation. The first time was in July for both sides to meet and to set a timeline for further discussions. The second was in December when the opponents of the legislation presented our proposal to move the requirement to the appendix. The fire service representatives on the committee and the City of Manhattan remain committed to the process and are willing to continue to work toward a compromise.

Thank you for your consideration, and I would be happy to answer any questions. I may be reached by mail at the Department of Fire Services, City of Manhattan, 2000 Denison Avenue, Manhattan, KS 66502, by phone at (785) 587-4504, or by email at almes@ci.manhattan.ks.us.

TO: The Honorable Anthony Brown, Chairman
House Commerce and Economic Development Committee

FROM: William W. Sneed, Legislative Counsel
The State Farm Insurance Companies

SUBJECT: H.B. 2088

DATE: January 26, 2011

Mr. Chairman, Members of the Committee: My name is Bill Sneed and I am Legislative Counsel for the State Farm Insurance Companies. State Farm is the largest insurer of homes and automobiles in Kansas. State Farm insures one out of every three cars and one out of every four homes in the United States. Please accept this memorandum as our opposition to H.B. 2088.

As we read H.B. 2088, after enactment no municipality would be allowed to adopt or enforce an ordinance requiring the installation of a multipurpose residential fire protection sprinkler system. Although we certainly understand in today's world costs that are associated with mandated government regulations, we contend that such a preemption is overreaching and should not be engaged in by the state.

The toll in lives and costs from residential fires is enormous. State Farm is committed to taking all reasonable steps to reduce the 3,000 national yearly deaths caused by residential fires. It is beyond dispute that when properly installed, sprinklers save lives, protect property and reduce the risks to firefighters. Further, State Farm supports its belief in the value of home sprinkler systems by its involvement in the Home Fire Sprinkler Coalition, its sponsorship of the National Fallen Firefighters Foundation, and its premium discounting for those homes with fire sprinkler systems meeting national recognized standards.

One example of the value of such systems is found in Scottsdale, Arizona. In Scottsdale, a sprinkler ordinance was implemented on July 1, 1986. Ten years after the ordinance was passed, the rural/metro fire department published the Scottsdale Report. The study has now been updated to include five additional years of data. Forty-one thousand four hundred and eight homes, more than fifty percent of the homes in Scottsdale, are protected with fire sprinkler systems. The results of the study are outstanding.

1. Lives saved. In the 15 years of the study, there were 598 home fires. Of the 598 home fires, 49 were in single-family homes with fire sprinkler systems. In those homes, there were no deaths, as opposed to 13 people who died in homes without sprinkler systems.
2. Less fire damage. The Report indicates there was less damage in the homes with sprinklers. The average fire loss per sprinkler incident was \$2,166.00.

555 South Kansas Avenue, Suite 101
Topeka, KS 66603
Telephone: (785) 233-1446
HOUSE COMMERCE & ECONOMIC
DEVELOPMENT
DATE: 1/26/11
ATTACHMENT: 2-1

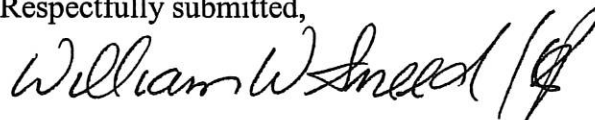
The average fire loss per unsprinklered incident was \$45,019.00. The annual fire losses in Scottsdale (2000-2001) were \$3,021,225.00, compared to the national average of \$9,144,442.00.

3. Reduced water damage. Today's sprinkler systems are cutting edge in their performance against fires. Only the sprinkler closest to the fire will activate, spraying water directly on the fire. Ninety percent of fires are contained by the operation of just one sprinkler. The Scottsdale Report indicates there was less water damage in the homes with sprinklers. In homes with sprinkler systems, the system discharged an average of 34 gallons of water per fire, compared to the 2,935 gallons of water per fire released by firefighter hoses.
4. Cost. Recent technological breakthroughs make sprinklers more affordable and easier to install in homes. On a national average, they add only 1 to 1.5% of the total building cost. Although not all property and casualty insurance companies provide discounts for homes that have sprinkler systems, my client, State Farm, does, and that discount generally will make up the additional cost of installing a sprinkler system.

Thus, based upon the foregoing, we believe that the proposed bill is inappropriate and that such decisions should be left to the local municipalities to decide whether or not such systems are viable for their own communities. As such, we respectfully request that the Committee act unfavorably on H.B. 2088.

I am available for questions at your convenience.

Respectfully submitted,



William W. Sneed

WWS:kjb



Fire Marshals Association of Kansas

January 25, 2011

**Written testimony before the Committee on Commerce and Economic Development
in opposition to House Bill 2088**, an act prohibiting any municipality from requiring the
installation of a multi-purpose sprinkler system in a residential structure.

Honorable Chair and members of the Committee,

The Fire Marshals Association of Kansas expresses its sincere opposition of House Bill 2088. We believe HB 2088 will prevent the State's fire marshals from using residential fire sprinklers to reduce loss of life and ease the burden of their jurisdiction's firefighting resources.

- HB 2515 takes away the ability of the fire marshals to use codes that are needed to meet the specific needs of their communities.
- In communities with volunteer departments, residential fire sprinklers can be used to assist these departments that are already facing staffing issues and extended response times.
- Infrastructures within jurisdictions can benefit by using residential fire sprinklers to reduce the amount of water needed to fight fires, reduce building setbacks, reduce street widths, and increase the spacing of fire hydrants.

It is not the goal of the fire service in Kansas to mandate fire sprinklers in homes. It IS our goal to protect lives and property within our jurisdictions. Fire sprinklers are another tool we can use to meet this goal in those instances where lives or property are at risk due to specific issues in a community. HB2088 would take away a very effective technology that has been proven to save lives.

We ask that local jurisdictions be able to choose what is best in their jurisdictions. The fire code has allowed the use of fire sprinklers in homes for many years and we want this to continue.

Please feel free to contact me to discuss how we can make Kansas a safer place to live.

Respectfully Submitted,

Brad Henson, FMAK President / Certified Fire Marshal – Olathe FD / Lifetime KS resident
(913) 971-6333

Fire Marshals Association of Kansas

HOUSE COMMERCE & ECONOMIC
DEVELOPMENT
DATE: 1/26/11
ATTACHMENT: 3-1



January 25, 2011

Written testimony before the House Commerce Committee **OPPOSING HB 2088**, an act suggesting: Prohibition of a municipality from requiring the installation of a multi-purpose sprinkler system in a residential structure.

Honorable Chair and members of the Committee,

The Fire Education Association of Kansas expresses its sincere opposition of House Bill 2088. We believe HB 2088 is a disservice to all Kansans.

We oppose HB 2088 for many reasons. A few of those reasons are:

- Home rule: HB 2088 takes away the right of self-governance by the local jurisdiction - as provided by the great Kansas Constitution - to adopt codes or law that meet the specific needs of their community. One size doesn't fit all.
- Life safety: If a municipality identifies a local application for home sprinklers that will address a safety need in order to better protect its families, then the local jurisdiction should retain the right to address that need through the local legislative process. A process, in which the local community is heard.
- Firefighter safety: If a community, through their local legislative process, believes home fire sprinklers meet their needs, they can help prevent unnecessary firefighter injury and death from one of our profession's greatest hazards, structural failure or collapse. Especially, in regards to modern-day, lightweight residential construction.

Legislation that prohibits municipalities from better protecting its constituents is irresponsible and reckless. Irresponsible bills like HB 2088 also contaminate the local legislative process.

As fellow firefighters and the voice of Kansas' fire and life safety education community, it is our responsibility to reduce fire and burn deaths, injuries and incidents. **Together, we can achieve these goals by opposing and stopping HB 2088 - this bill should be rejected in committee.**

Please feel free to contact me to discuss this bill further.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Mike Hall", is written over a horizontal line.

Mike Hall, president
(913) 208-8967



National Fire Protection Association

Southwest Regional Office - 7071 Warner Ave, F400 - Huntington Beach, CA 92647
phone: (714) 375-9045 fax: (714) 375-9046 email: rbizal@nfpa.org

Raymond B. Bizal, P.E.
Southwest Regional Director

January 26, 2011

The Honorable Anthony Brown, Chair
Commerce and Economic Development Committee, House of Representatives
Kansas State Capitol, Room 151-S
300 SW 10th St.
Topeka, Kansas 66612

RE: HB 2088 - OPPOSE

Dear Chair Brown and Members of the Committee:

I write to express my strong opposition to HB 2088, a bill that hinders local fire authorities from determining the best fire protection policy for their communities. This is a serious public safety issue. I have outlined some thoughts on why I am opposing HB 2088.

Interrupts Local Fire Policy: Local fire authorities rely on an array of tools – including automatic fire sprinklers – to combat the threat of fire and provide their public safety service. Local fire protection policy is based on many issues, such as local fire department deployment capabilities, firefighter safety needs, response-time goals, and insurance services rating needs. Home fire sprinklers can impact the community from local fire protection policy to local firefighting tactics and strategies. If passed, this bill will remove a valuable tool that may be used by fire departments to meet their local needs in providing the best public safety service to their communities.

Discounts Local Hearings: Local fire authorities and municipalities that have determined they want to require residential fire sprinklers still must provide an open and public hearing process. This local hearing process will allow discussion on all the technical details relevant to their proposal. The issue will be considered at the local level in a public forum, where pertinent issues to local conditions may be considered.

Destroys Cohesive Building Codes: Building codes are complex documents. All national model building codes now require residential fire sprinklers for new construction. Removing one requirement - like residential fire sprinkler systems, as this bill would do – will have a major impact on many other requirements within the code. Other issues, such as exterior wall construction, tenant wall construction, location on property, and fire rating light weight truss construction just to name a few, all need to be adjusted to accommodate the prohibition proposed by this bill and is best done at the local level in order to address local issues.

Ignores Reduced Life Safety: Most importantly, this bill will withhold the life-saving benefits of home fire sprinklers from the citizens in Kansas. Each year, approximately 3,000 people die in home fires in the United States – more than all of the fatalities from natural disasters annually. In 2008, roughly 83% of all civilian fire deaths and 89% of all civilian fire injuries resulted from home structure fires. Home fire sprinklers would have saved the vast majority of these fire victims because sprinklers play a significant role in limiting life and property loss when a fire happens. For people that have a reported fire in their home, the risk of dying decreases by about 80 percent when sprinklers are present.

Smoke Alarms Not Enough: Smoke alarms are not enough. While smoke alarms play a critical role in allowing early escape, they do not actively suppress fire. People affected by the fire must take appropriate action, whether they have disabilities, are aged or very young, and are under medication, or alcohol. These factors can significantly hinder appropriate action. A recent study shows that smoke alarms operated properly in fires that caused 37% of the deaths in homes. Smoke alarms are like seat-belts, and fire sprinklers are like air-bags – both work together to fulfill critical safety functions.

Neglects Firefighter Safety: Residential fire sprinklers provide great assistance to firefighters, especially in congested metropolitan areas and rural settings, where it takes a longer for firefighters to arrive on scene. Fire sprinklers reduce the chance of “flashover” and keep the fire at bay, while the firefighters arrive and set up for firefighting operations. Fire sprinklers buy time before the structure collapses. Studies show that with new construction techniques, called light-weight truss construction, homes do not have much time under fire conditions and can collapse on responding firefighters. Fire sprinklers will alleviate that risk. This is a problem because statistics indicate that 62% of firefighter deaths occur at residential properties and 92% of those occurring in one and two family homes.

Disregards Property Loss Savings: Residential fire sprinklers significantly reduce the amount of property loss after a fire. In 2008, the United States experienced 8.5 billion dollars in property loss from home structure fires – that is nearly 70% of the property loss from structure fires. Studies show that property damage per fire is lowered by over 70%.

Higher Home Insurance Cost: This bill would force local government to adopt the national model codes without the sprinkler provisions embedded within them. Doing so will significantly decrease the Insurance Services Office (ISO) rating of the fire department and the building department. The result will be all around higher insurance premiums for the State of Kansas. Further, home owners with fire sprinklers will likely benefit from an additional savings on their monthly premiums.

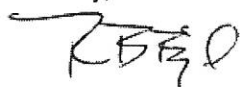
Low Installation Cost: A 2009 study showed that the national average for the cost of installing home fire sprinklers was \$1.61 per square foot of sprinklered area. This ranged from about \$0.38 to \$3.66 per square foot of sprinklered area. This cost includes all costs to the builder associated with the system including design, installation, and other costs such as permits, additional equipment, increased tap and water meter fees – to the extent that they apply. Clearly home fire sprinklers are inexpensive for newly constructed homes. This is usually around 1% of the total cost of the home.

Honorable Anthony Brown
January 26, 2011
Page 3

Newer homes are not necessarily safer. New construction techniques actually decrease the tenability of a building during fire conditions. Reports by the National Institute of Standards and Technology, NIST, show that lightweight construction fails within 7 minutes of the inception of a fire, posing a threat to firefighters. Another NIST report shows that conditions reach flashover inside buildings in about 3 minutes, due to the contents of modern homes. That gives an occupant 3 minutes from the inception of fire to safely get out. This time to flashover is down significantly; in the mid 1970's it was about 17 minutes.

Home fire sprinklers save lives through a proven technology. HB 2088 takes away an important tool available to local fire authorities that can help them to determine the best fire protection policy in their communities. I urge you – for the sake of public safety – to vote NO on HB 2088.

Sincerely,



Raymond B. Bizal, P.E.
Southwest Regional Director



FIRE SPRINKLER INITIATIVE®
Bringing Safety Home



FIRE SPRINKLER INITIATIVE: BRINGING SAFETY HOME

Fires in the home pose one of the biggest threats to the people of your community. Over 350,000 home fires occur every year in this country and more than 2,500 people a year die in these home fires. Home fire sprinklers are a proven way to protect lives and property against fires at home.

These life-saving systems respond quickly and effectively to the presence of a nearby fire. When sprinklers are present, they save lives.

- If you have a reported fire in your home, the risk of dying decreases by about 80 percent when sprinklers are present.
- People in homes with sprinklers are protected against significant property loss—sprinklers reduce the average property loss by 71 percent per fire.

Model safety codes now require the use of home fire sprinklers in new one- and two-family homes. These requirements offer the highest level of safety to protect the people of your community.

- Home sprinkler systems respond quickly to reduce the heat, flames, and smoke from a fire, giving families valuable time to get to safety.
- Roughly 90 percent of the time, just one sprinkler operates.
- Each individual sprinkler is designed and calibrated to go off when it senses a significant heat change.
- Only the sprinkler closest to the fire will activate, spraying water directly on the fire.

FACTS ABOUT THE COST OF HOME FIRE SPRINKLERS

The Fire Protection Research Foundation recently issued the *Home Fire Sprinkler Cost Assessment* report. The report reveals that the cost of installing home fire sprinklers averages \$1.61 per square foot for new construction. Installing home fire sprinklers can:

- Reduce property loss in the event of fire
- Cut homeowner insurance premiums
- Help qualify a home for a tax rebate

FACTS ABOUT U.S. HOME STRUCTURE FIRES

U.S. fire departments responded to an estimated 362,500 home structure fires in 2009.

These fires caused:

- 2,565 civilian fire deaths
- 12,650 civilian fire injuries
- \$7.6 billion in direct damage

Roughly 85 percent of all civilian fire deaths in 2009 resulted from home structure fires.

On average, eight people a day die in U.S. home fires.

Sources:

Fire Loss in the United States during 2009
by Michael J. Karter, Jr., NFPA, Quincy, MA, August 2010

Home Structure Fires by Marty Ahrens,
NFPA, Quincy, MA, January 2009



The Fire Sprinkler Initiative®, a project of the National Fire Protection Association, is a nationwide effort to encourage the use of home fire sprinklers and the adoption of fire sprinkler requirements for new construction.
**Data referenced from NFPA, the Home Fire Sprinkler Coalition, and other sources.*

The Case for Fire Sprinklers in One- and Two-Family Dwellings



National Fire Protection Association

March 12, 2010

[This document provides commentary on the importance of home fire sprinklers and the cost and effectiveness of these systems in one- and two-family homes]

THE CASE FOR HOME FIRE SPRINKLERS

The mission of the international nonprofit NFPA, established in 1896, is to reduce the worldwide burden of fire and other hazards on the quality of life by providing and advocating consensus codes and standards, research, training, and education. This document is to support the adoption of fire sprinkler requirements in new homes, and to provide important information about the U.S. fire problem and home fire sprinklers, specifically relating to cost and effectiveness of fire sprinklers in one- and two-family homes.

THE U.S. FIRE PROBLEM.

Fire in the home poses one of the biggest threats to the people of your community. Nearly 3,000 people per year die in U.S. home fires. Last year, 84% of people who died in fires, did so in one- and two-family homes; an increase from the previous year. Firefighter deaths in these structures also increased; to 92% as a percentage of all residential structures.

Those at greatest risk are:

- Older adults – over age 65
- Children – under 5 years old

These high risk groups may not be able to exit on their own, even with working smoke alarms. And may need the additional escape time provided by home sprinkler systems. NFPA 13D systems are designed to provide a ten minute escape time.

THE NATIONAL CONSENSUS IS IN FAVOR OF HOME FIRE SPRINKLERS

All model safety codes now require the use of home fire sprinklers in new one- and two-family homes. These requirements offer the highest level of safety to protect the people of your community.

SMOKE ALARMS AND SPRINKLERS BOTH SAVE LIVES FROM FIRE

Home fire sprinklers are a proven way to protect lives and property against fires at home. These life-safety systems respond quickly and effectively to the presence of a nearby fire. When sprinklers are present, they save lives. Sprinkler systems provide additional benefits, on top of the benefits already provided by smoke alarms.

- Working smoke alarms cut the risk of dying in a home fire by 50 percent.
- If you have a reported fire in your home, the risk of dying decreases by about 80 percent when sprinklers are present.

PERCENTAGES OF SURVIVAL AND DEATH

You will hear sprinkler opponents using a statistic of 99.5% to illustrate the effectiveness of smoke alarms in reducing home fire deaths. This NFPA statistic estimates the likelihood of surviving a home fire when a working smoke alarm is present. It is based on the total number of fires, the vast majority of which are not fatal. Does that mean 3,000 deaths every year are acceptable? Most people would say no. It is similar to saying that because the survivability of motor vehicle accidents is also around 99.4%, that we should not look for ways to improve highway safety.

SPRINKLERS DO MORE THAN SAVE LIVES – THEY PROTECT PROPERTY

Sprinklers do more than save lives; they also protect property from destruction by fire. In many situations, that means a family that survived a fire will also have a place to live and enough resources to continue living their lives as they did before. "Saving lives" r

HOUSE COMMERCE & ECONOMIC
DEVELOPMENT

DATE: 1/26/11

ATTACHMENT: 5-6

preventing deaths. Just as there is no other fire safety technology or programs that produce as great a reduction in risk of death as sprinklers, there also is no other fire safety technology or program that produces as great a reduction in property loss per fire as sprinklers.

- People in homes with sprinklers are protected against significant property loss – sprinklers reduce the average property loss by 71% per home fire.

EFFECTIVENESS AND RELIABILITY OF FIRE SPRINKLERS

Home sprinkler systems respond quickly to reduce the heat, flames, and smoke from a fire, giving families valuable time to get to safety.

- Roughly 90% of the time, fires are contained by the operation of just one sprinkler.
- Each individual sprinkler is designed and calibrated to go off when it senses a significant heat change.
- Only the sprinkler closest to the fire will activate, spraying water directly on the fire.

It is important to recognize that home fire sprinkler systems are designed to activate to the heat of a fire that grows large enough for the temperature to rise to 135°-160°F. They are not activated by smoke, nor should they be.

Opponents have cited some low percentages for what they call fire sprinkler efficiency. Such statistics improperly include as failures fires that do not produce enough heat to activate the sprinkler system, possibly because they were extinguished before heat rises to the point of activating the sprinkler system. In home fires deemed large enough to activate an operational sprinkler, wet-pipe sprinklers operated *and* were effective in 98% of reported fires.

NEWER HOMES AND FIRE

Opponents of residential fire sprinkler systems like to boast that newer homes are safer homes and that the fire and death problem is limited to older homes. Age of housing is a poor predictor of fire death rates. When older housing is associated with higher rates, it usually is because older housing tends to have a disproportionate share of poorer, less educated households. The higher risk comes primarily from the people living in the older homes and not the older homes. Statistically, the only fire safety issue that is relevant to the age of the home is outdated knob-and-tube wiring. Beyond that, age of the home has little to nothing to do with fire safety.

Recent research reveals that newer homes are more likely to include a threat to firefighters in the form of lightweight construction. Lightweight construction has been variously estimated to be used in one-half to two-thirds of all new wood one- and two-family homes.

Larger homes, open spaces, increased fuel loads, void spaces, and changing building materials contribute to:

- Faster fire propagation
- Shorter time to flashover
- Rapid changes in fire dynamics
- Shorter escape time
- Shorter time to collapse

Fire sprinklers can offset the increased dangers posed by lightweight construction and create a safer fire environment for firefighters to operate in.

THE COST OF NFPA 13D SPRINKLER SYSTEMS

The NFPA 13D technical committee 'adopted the concept of "levels of protection" in order to achieve a reasonable degree of safety while controlling the cost of the system' (Dubay, 2007)

The Fire Protection Research Foundations' Home Fire Sprinkler Cost Assessment report revealed that the cost of installing home fire sprinklers averages \$1.61 per square sprinklered foot (SF) for new construction. The data included in the report also reflects the sprinkler system bid price plus all associated costs for the system which were not included in the bid, such as; permit fees, increase in water service line, and increase in tap fee. When credits/incentives are applied the cost is reduced to \$1.49 SF. These credits/incentives include; wider spacing of fire hydrants, narrower road widths, reduced water main sizes, number of neighborhood exits, and water meter development charge credit.

To obtain information on the cost of installing residential sprinkler systems, ten case study communities were selected: nine in the United States, and one in Canada. The ten communities offered diversity in terms of sprinkler ordinance status, geographic location, housing style, and sprinkler system variables such as the type of piping material and the water supply source (municipal or on-site). For each of these communities, three building plans were collected from builders and sprinkler installers, along with sprinkler system cost data and other related cost and system information.

To put the cost of a sprinkler system into perspective, many people pay similar amounts for carpet upgrades, paving a stone driveway, or a whirlpool bath.

Inspection and maintenance requirements

NFPA 13D prescribes simple maintenance and inspections that can be performed by homeowners. These systems require less "maintenance" than you need in order to keep your clothes dryer safe.

HOUSING COST AND SUPPLY IMPACT

In a recently released study, Comparative Analysis of Housing Cost and Supply Impacts of Sprinkler Ordinances at the Community Level, conducted by Newport Partners for NFPA, it is reported that: **"...analysis did not reveal that the enactment of sprinkler ordinances caused any detrimental effects on housing supply and costs."**

The purpose of the research was to determine what impact residential sprinkler ordinances have on housing cost and supply. Housing characteristics between jurisdictions with or without residential fire sprinkler ordinances were compared. Montgomery County, MD with a requirement was paired with Fairfax County, VA, with no requirement. Prince George's County, MD with requirement was paired with Anne Arundel County, MD without a single family requirement until late 2009. The selected counties were deemed best demographic matches to compare characteristics of jurisdictions with sprinkler requirement to those without sprinkler requirements.

The sources used for analysis were:

- Permits – the most geographically detailed time specific measure of new construction

- Surveys of housing – U.S. Census collected data about the housing stock in connection with the decennial census and ongoing surveys
- Documents – local documents and twenty years of monthly newsletters from the local home building trade
- Interviews – key individuals involved in the process, builders, trade associations and local government officials.

The report clearly indicates there is no merit to the claim that a residential sprinkler requirement creates an unfair market advantage for an area that does not have a requirement, as claimed by sprinkler opponents.

INTEGRATION OF RESIDENTIAL SPRINKLERS WITH WATER SUPPLY SYSTEMS

NFPA 13D requires only the standard operating water pressure of the domestic plumbing system. Most domestic water supply systems are able to manage the operating pressure demands of a home fire sprinkler system.

The *Integration of Residential Sprinklers with Water Supply Systems* study conducted by Newport Partners for NFPA addressed the requirement of local water purveyors and building departments in twenty communities, and its impact on system design, operation, cost, and maintenance. Objective criteria was developed in order to understand the issues in detail and how they are handled by communities with home fire sprinkler requirements, identify the significance of concerns, and the best means for reconciling these concerns.

Key findings of the study follow:

- Majority did not experience water meter cost increase
- 90% experienced no increase in service fees
- Domestic water consumption rates did not increase
- Majority did not see an increase in tapping fees

The study concluded that communities integrating residential fire sprinklers with water supply systems employ practical solutions that satisfy the needs of builders, water purveyors, and the fire service. Major problems have been nonexistent. Stakeholders that choose to work together cooperatively ensure an integration approach that is reasonable and cost effective, eliminating major cost impacts.

On site water supply

Well systems can be set up to effectively address a fire protection application. Generally speaking, they are set up at the inception of the home building process and a larger well pump is usually installed along with larger expansion tanks. Homes on well water most likely will need a pump to serve the domestic water supply. The cost associated with providing additional pressure to run the fire sprinkler system may simply be the difference between the regular pump the homeowner must install to obtain the necessary pressure for domestic use, and a higher flow pump, or a booster pump and tank.

Pump and tank manufacturers tell us that the expansion tanks are sized to pick up the difference between the well capacity and demand so they are not necessarily large. To meet the requirements

of NFPA 13D, many installations have been done using this method, effectively and cost competitively.

ISO FACT SHEET

ISO, an independent statistical, rating, and advisory organization that serves the property/casualty insurance industry and the leading supplier of underwriting information, advisory loss costs, supplementary rating information, and standardized policy information language to insurers in all fifty states and the District of Columbia offers the following advisory on its ISO Fact Sheet on how residential sprinklers are reflected in its residential property programs.

Premium discounts

The standard ISO *Dwelling Fire and Homeowners Programs* contain available premium credits for installation of fire sprinkler protection up to a maximum of:

- 13% for full sprinkler protection that includes all areas of a home, including attics, bathrooms, closets, and attached structures;
- 8% for fire sprinkler protection of all areas of a home excluding the attic, bathrooms, closets, and attached structures as long as fire detection equipment is installed in those areas where sprinklers are omitted;

Individual insurer programs may provide different credits. The cost assessment report found insurance discounts ranging from 0% to 12%, with an average of 7%.

Sprinkler leakage coverage

The presence of a residential sprinkler system may raise concern about the risk of accidental water leakage from the system. ISO's standard Homeowners policy forms provide coverage for "...accidental discharge or overflow of water...from within a...fire protective sprinkler system...". This coverage is included in the basic policy. There is no extra charge for this coverage. Also, coverage is provided for water damage related to the suppression or extinguishment of a covered fire. Individual insurer programs may provide variations to this coverage.

Building Code Effectiveness Grading Schedule (BCEGS®)

The ISO Building Code Effectiveness Grading Schedule (BCEGS®) is used to review public building code enforcement agencies and to develop a classification that is provided as advisory information to insurers who may use it for insurance underwriting and rating.

POSSIBLE IMPACT OF AMENDING THE SPRINKLER REQUIREMENT FROM THE CODE

If the requirement for automatic fire sprinkler protection of residential dwellings was removed by legislation or local ordinance, BCEGS would not provide full recognition for adoption of code without amendments. ***A building code enforcement agency that adopted a code with amendments that weaken hazard mitigation issues, as defined in the model codes and referenced standards, would not receive maximum recognition for code adoption.*** This statement is vitally important to the debate over one- in two family dwelling fire sprinklers.

The National Flood Insurance Program's (NFIP) Community Rating System (CRS) is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements. FEMA and the insurance industry look for uniformity in code adoption because the code development process takes into account the total effect of all relevant factors. Amendments to the code affect the structural integrity of the entire code document. In this case, the penalty can have devastating effects.

The table below shows the credit points earned, classification awarded, and premium reductions given for communities in the NFIP CRS. As you will note, every change in Community Classification results in a 5% change in flood insurance premium.

Credit Points	Class	Premium Reduction
4,500+	1	45%
4,000 – 4,499	2	40%
3,500 – 3,999	3	35%
3,000 – 3,499	4	30%
2,500 – 2,999	5	25%
2,000 – 2,499	6	20%
1,500 – 1,999	7	15%
1,000 – 1,499	8	10%
500 – 999	9	5%
0 – 499	10	0

The following is from the FEMA/NFIP classification system manual:

b. Class 7 Prerequisite:

In addition to having sufficient points, in order to be a Class 7 or better, a community must have received a classification of 6/6 or better under the Building Code Effectiveness Grading Schedule (BCEGS). Both BCEGS classifications (residential/personal and commercial) must be a class 6 or better (emphasis added).

c. Class 4 Prerequisite: In order to be a Class 4 or better, a community MUST:

- *Have received a classification of 5/5 or better under the BCEGS*

The BCEGS penalty, although small (about 4%), can mean the difference between one class and the next—better class. The CRS Eligible Communities table contains the rating of each of the eligible communities. The economic impact on communities with a five or six rating is greater, should their rating class change. The communities, the fire departments, and the insurance-buying homeowners have potentially millions of dollars riding on this decision.

HOME FIRE SPRINKLER REQUIREMENTS – IMPACT ON FIRE SERVICE

Requiring fire sprinklers in new homes helps fire service efforts. Adopting home fire sprinkler requirements have allowed the fire service to keep up with growth, and to continue to provide an appropriate level of service, which many times translate into savings for a community.

CONCLUSION

This commentary summarizes various aspects of the cost impact and effectiveness of home fire sprinkler systems as it relates to communities adopting these requirements nationwide. Extensive research shows that adopting one- and two-family dwelling requirements is vital to communities in order to reduce and mitigate risks, and to reduce the loss of life and property caused by home fires.



Preventing accidental injury.

January 25, 2011

**Written testimony presented to the
House Standing Committee on Commerce and Economic Development
House Bill 2088**

Chairman Brown and members of the Committee on Commerce and Economic Development, Safe Kids Kansas is pleased to provide testimony in opposition of HB 2088. Safe Kids Kansas is a nonprofit coalition of over 70 statewide organizations and businesses dedicated to preventing accidental injuries to Kansas children ages 0-14. House Bill 2088 prohibits the ability of a municipality to require installation of a multi-purpose residential fire protection system in any residential structure as a condition for consideration or approval of any building permit or plat.

The purpose of a residential sprinkler system is to provide a system that aids in both the detection and control of residential fires, and thus provides improved protection against injury, life loss, and property damage. Although most fire-related deaths in the United States occur in the home, it is estimated that less than 3 percent of one- and two-family dwellings have sprinkler systems installed. Yet, over 50 percent of home fires, over 70 percent of home fire fatalities, and over 70 percent of home fire injuries in the United States are the result of fires starting in a living room, bedroom, or kitchen. The impact sprinklers would have in these locations is clear.

Also, another residential fire problem concerns those who typically die in residential fires. When looking at the number of fire deaths per million people of a given age range, and relative risk of dying in a fire by age, the trends show that children 4 years of age and under and adults 65 years of age and older are more likely to die in a residential fire than are other segments of the population. Because these high-risk groups may depend on assistance to exit the dwelling, anything less than automatic suppression may not be enough to save them.

As part of the Safe Kids Kansas legislative platform, we and our member organizations support legislation that requires installation of fire sprinklers in new single-family, manufactured and multi-family homes.

Thank you for the opportunity to provide this written testimony. By allowing municipalities the opportunity to require residential sprinkler systems, the end result will be fewer Kansas children injured and killed in fires. Should you need any additional information, please contact Darlene Whitlock, Board of Directors member and legislative liaison, at 785-806-2327.

1000 SW Jackson Suite 230 Topeka, KS 66612 tel 785-296-1223 fax 785-296-8645
www.safekids.org www.safekidskansas.org

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Attachment:

Safe Kids Kansas Member Organizations

Safe Kids Kansas, Inc. is a nonprofit Coalition of over 70 statewide organizations and businesses dedicated to preventing accidental injuries to Kansas children ages 0-14. Local coalitions and chapters cover Allen, Anderson, Atchison, Butler, Clay, Coffey, Dickinson, Doniphan, Douglas, Elk, Ellis, Finney, Geary, Harvey, Jackson, Jefferson, Johnson, Kiowa, Labette, Leavenworth, Marion, Marshall, McPherson, Mitchell, Montgomery, Pottawatomie, Riley, Saline, Sedgwick, Shawnee, Smith, Sumner, and Wilson counties, as well as the city of Emporia and the Metro Kansas City Area (Wyandotte county and several Missouri counties.) Safe Kids Kansas a member of Safe Kids Worldwide, a global network of organizations whose mission is to prevent accidental childhood injury. The lead agency for Safe Kids Kansas is the Kansas Department of Health and Environment.

Source: Marty Ahrens, *U.S. Fires in Selected Occupancies: Homes*, National Fire Protection Association, Quincy, MA, Mar. 2006,

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www.safekids.org www.safekidskansas.org

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Safe Kids Kansas Member Organizations

AAA Allied Group
 American Academy of Pediatrics – Kansas Chapter
 Board of Emergency Medical Services
 Brain Injury Association of Kansas
 Children's Mercy Hospital
 Child Care Providers Together of Kansas
 Cusick Jost Consulting, LLC
 Dillon Stores
 Fire and Burn Safety Alliance of S Central Kansas
 Fire Education Association of Kansas
 Fire Marshal's Association of Kansas
 Head Start State Collaboration Office/SRS
 Huggable Images
 HCC Fire Service Training Program
 Kansas Academy of Family Practice Physicians
 Kansas Action for Children
 Kansas Association for Counties
 Kansas Association of Local Health Departments
 Kansas Association of Osteopathic Medicine
 Kansas Association of School Boards
 Kansas Chapter International Association of Arson
 Investigators
 Kansas Children's Cabinet & Trust Fund
 Kansas Chiropractic Association
 Kansas Cooperative Extension 4-H
 Kansas Dental Association
 Kansas Department Health & Environment:
 Bureau of Health Promotion
 Bureau of Family Health
 Bureau of Environmental Health
 Kansas Department of Human Resources
 Kansas Department of Transportation
 Kansas Department of Wildlife and Parks
 Kansas District of Kiwanis International
 Kansas EMS Association
 Kansas Emergency Nurses Association
 Kansas Farm Bureau
 Kansas Healthy Start Home Visitors
 Kansas Highway Patrol
 Kansas Hospital Association
 Kansas Insurance Department
 Kansas MADD
 Kansas Medical Society
 Kansas Motor Carriers Association

Kansas Operation Lifesaver
 Kansas Parent Teachers Association
 Kansas Poison Control Center
 Kansas Public Health Association
 Kansas Recreation & Park Association
 Kansas Safe Routes to School Program
 Kansas SADD
 Kansas School Nurses Organization
 Kansas State Association of Fire Chiefs
 Kansas State Board of Education
 Kansas State Child Death Review Board
 Kansas State Fire Marshal's Office
 Kansas State Firefighters Association
 Kansas State Nurses Association
 Kansas Traffic Safety Resource Office
 Kansas Trauma Program
 Kansas Trial Lawyers Association
 Kids and Cars
 KNEA
 KUMC:
 Burn Center
 Emergency Services
 Trauma Program
 NHTSA Regional Office
 Office of the Governor
 Safety & Health Council of Western MO & KS
 SIDS Network of Kansas
 State Capitol Area Fire Fighters Association
 State Farm Insurance Companies
 Stormont-Vail Regional Medical Center
 United School Administrators of Kansas
 Via Christi – St. Francis Burn Center
 Via Christi – Trauma Center
 Wesley Medical Center

Membership also includes local Coalitions located in Allen, Anderson, Atchison, Butler, Coffey, Dickinson, Doniphan, Douglas, Elk, Ellis, Finney, Geary, Harvey, Jackson, Jefferson, Johnson, Kiowa, Labette, Leavenworth, Marion, Marshall, McPherson, Mitchell, Montgomery, Pottawatomie, Sedgwick, Shawnee, Sumner, Wilson, and Wyandotte counties, as well as the city of Emporia.

Safe Kids Kansas is a member of Safe Kids Worldwide.
 January 1, 2011

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 www.safekids.org www.kansas.safekids.org

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TO: House Commerce and Economic Development

FROM: Sandy Jacquot, Director of Law/General Counsel

DATE: January 26, 2011

RE: Opposition to HB 2088

Thank you for allowing the League of Kansas Municipalities to testify in opposition to HB 2088, a preemption of local control regarding fire sprinklers in residential housing. Specifically, this bill would prohibit cities from requiring residential fire protection sprinkler systems. When the original law passed last year, it had a sunset, which is being stricken in HB 2088. When this bill was conferenced during the 2010 legislative session, the conference committee asked that the League, the Kansas Association of Counties and the building industry, realtors and manufactured housing associations work together to seek a compromise on the issue. LKM and KAC met with fire service representatives and building code officials to come up with a workable compromise, which was presented to the building industry and others the first week of December.

The 2009 International Residential Code, which some cities in Kansas have adopted, now has a provision calling for residential sprinklers. Prior to this edition, the fire sprinkler requirement was in the appendices of the Code and no city in Kansas adopted that appendix. Our compromise position was to legislatively return that provision to the appendices, where it has been for some years. This would require the city to take affirmative action to adopt such a requirement. In any of the various building related codes, cities have the option of amending out any provision they do not when adopting such model code. No city in Kansas has adopted the 2009 IRC with the sprinkler provision included. Thus, this bill is to prevent something that has not even occurred. One other important point about taking one aspect of a code and prohibiting its use is that it affects other integrated provisions. For example, removing the option of fire sprinklers will require the amendment of other parts of the code, such as the fire separation rating in hours. Without fire suppression systems, this would have to increase. This is an inadvisable approach of selectively targeting individual pieces of an integrated regulatory scheme.

There have been several circumstances, whether due to fire fighter access to an adequate water supply or fire fighter access to the property, where several cities have adopted limited residential fire sprinkler requirements. The cities deemed it necessary for the safety of the individuals living in those homes, and the firefighters responding to fires in those neighborhoods for the residences to be equipped with sprinkler systems. This bill would negate cities' ability to make those kinds of public safety determinations. That is contrary to good public policy and actually compromises public safety. Cities need to be able to make good public safety determinations without being preempted by an artificial and unnecessary restriction on their ability to do so. It is safe to say that the majority of cities in Kansas will choose not to place a sprinkler requirement on every residential property, as has been the case to date. Therefore, this is an unwarranted preemption of local control and the League of Kansas Municipalities urges this Committee to not report the bill favorably.

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DATE: 1/26/11
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Testimony: HB 2088
Kansas State Association of Fire Chiefs'
Chief Jeff Hudson, Past President
January 26, 2011

The Kansas State Association of Fire Chiefs' (KSAFC) appears before you today in opposition of HB 2088 which, if passed, would take away from local government the ability to adopt codes that affect the safety of their citizens.

Cities and Counties in Kansas routinely exercise their authority at a local level with input at a "grass roots" level from the citizens they represent. Many times these decisions are related to issues that are understood by and unique to that jurisdiction. Passing this bill will take this decision making ability away from each community and force them to accept a "one size fits all" law which will tie their hands and reduce the number of options they have to address local issues.

Published data from the National Fire Protection Association (NFPA) provides that residential fire sprinklers are a proven means to reduce fire deaths in residential structures. According to 2008 statistics from NFPA, a residential fire occurs every 82 seconds in the United States. These residential fires are responsible for:

- 84% of fire deaths
- 82% of fire injuries
- 69% of structure fire damage
- 62% of firefighter fire ground deaths

Fire sprinklers are required in most public buildings because they save lives and reduce property damage. This same tool should be available to local government to address the unique safety needs they may have. Statistically an occupant of a residence has three minutes after the activation of a smoke alarm to exit the structure before being overcome by the toxic effect of the smoke www.smokealarm.nist.gov. High risk populations such as the young, old, hearing impaired and handicapped may not be able to hear the alarm, or be physically able to escape the home quickly enough. Many Kansans' live in rural areas where response from their Fire Department could be many minutes away. A fire sprinkler system could be the difference between a small fire with little damage and no loss of life to total destruction and the possible death of occupants.

There are many tools available to help increase fire and life safety: building codes, smoke detectors, inspections, fire safety education, and sprinkler systems. Some communities use all these tools and others use a portion of them according to the local community standard. Local governments must have the ability to adopt the best public policies that fit their communities.

The KSAFC would like to thank you for the opportunity to address this committee.



Dunn

FIREFIGHTER'S RELIEF ASSOCIATION

January 26, 2011

Commerce and Economic Development Committee

Committee Members: Anthony Brown, Gene Suellentrop, Mike Slattery, Rick Billinger, Rob Bruchman, Randy Garber, Dennis Hedke, Dan Kerschen, Marvin Kleeb, Reynaldo Mesa, Leslie Osterman, Vergil Peck, Joseph Scapa, Scott Schwab, Caryn Tyson, Gail Finney, Stan Frownfelter, Louis Ruiz, Annie Tietze

My name is Patrick Dunn and I stand before you today representing the 433 members of the Kansas City Kansas Firefighters Relief Association in opposition to HB 2088.

My formal education consists of a BS in Fire Protection and Safety Engineering Technology as well as a MS in Fire and Emergency Management through Oklahoma State University, an institution known throughout the world as the West Point of the Fire Service. I have been a front line firefighter with the Kansas City, Kansas Fire Department for nearly seven years and have over ten years experience as a firefighter throughout the United States. My trade, passed on to me by my father, is plumbing.

My professional education and experience has led me to formulate a very negative opinion of this legislation on three fronts:

This decision should be left to specific municipalities to decide the level of fire protection services that they will provide and sprinkler ordinances are a cornerstone to a shifting paradigm in the fire service of tomorrow. The progression of fire codes throughout the history of our country have faced similar battles as this. This legislation takes away the ability of the local government to provide for fire protection of its residents in a manner in which those residents feel is necessary. Local governments will only institute sprinkler mandates when and only when they feel that they are in the total best interests of its residents. Many rural areas are facing declines in fire protection availability due to decreased interest in volunteering for the fire department, and many of those that do answer the call to serve, work in other areas, cities, or counties thus delaying the response to a residential fire.

This legislation takes away the ability of cities to make working conditions safer for the 16,000 plus firefighters that provide fire protection to the state of Kansas. New homes are increasingly being constructed utilizing low cost, light weight building materials and practices. Under normal conditions these practices create a very well constructed and affordable home, however when

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exposed to fire conditions, these materials fail catastrophically more quickly than traditional building materials. Building practices such as those just mentioned makes newer homes increasingly more dangerous for me, the firefighter responding to your fire. Residential multipurpose sprinkler systems will typically **stop** the fire from progressing to a point where significant structural damage will occur, allowing me to go home to my wife Dava and children, Maci and Jaxon.

These Residential Multipurpose Sprinkler Systems are not the same as the sprinkler systems you may be familiar with. Residential Sprinklers are designed with one purpose **Life Safety** as opposed to the traditional systems designed to protect the building, and its contents. They require lower inputs to activate and as a result will detect the fire in its incipient (beginning) stage. As a result of this speed in detection, only one to two sprinkler heads will typically activate. Flows of only 8-13 gpm per head are required, well within the range of residential water supplies. All this really means is that they work very quickly and significantly increase your survivability, and that of your children or grandchildren

Proponents of this bill will attempt to confuse you with misinformation, either purposefully or as a result of their lack of understanding in these systems. Please feel free to question me at any time, on any issue concerning these sprinkler systems. Please help me to defend the residents of our state, by allowing local jurisdictions to decide individually if sprinklers are right for their community.

Sincerely,

Patrick P. Dunn, BS, MS, FirET
President
Kansas City, Kansas Firefighters Relief Assn.

Enclosed is a listing of facts concerning the systems that this legislation pertains to:

In a recent study, *Comparative Analysis of Housing Cost and Supply Impacts of Sprinkler Ordinances at the Community Level*, conducted by Newport Partners for NFPA and just released, it is reported that: "the following analysis did not reveal that the enactment of sprinkler ordinances caused any detrimental effects on housing supply and costs." This report clearly indicates there is no merit to the claim that a residential sprinkler requirement creates an unfair market advantage for an area that does not have a requirement, as claimed by sprinkler opponents. The cost of a multipurpose sprinkler system is on average \$1.61 per square foot. This cost is offset by a 10% - 20% reduction of insurance premiums for protected structures. In return for this added cost an individual can be assured that their risk of dying from a fire in this structure will be reduced by 98% over a home with no fire detection or suppression systems.

A residential sprinkler is designed to operate at a predetermined temperature typically set between 135 and 165 degrees F. 90% of all fires are contained by just one sprinkler head activating, discharging at a rate of 10-15 gpm. The typical fire hose discharges at 200 gpm. So why is the sprinkler so effective if it discharges less than 10% of the water discharged by a fire hose? Because the sprinkler head will typically activate within 3 minutes of ignition, whereas a fire may have a head start on a firefighter at a minimum of 7-10 minutes and much longer depending on the time of day, and other factors.



ABOVE AND BEYOND. BY DESIGN.

8500 Santa Fe Drive
Overland Park, Kansas 66212
913-895-6000 | www.opkansas.org

Testimony Before The
House Commerce & Economic Development Committee
Regarding House Bill 2088
By Erik Sartorius

January 26, 2011

The City of Overland Park appreciates the opportunity to appear before the committee in opposition to House Bill 2088. The cornerstone of municipal government is the belief that the governing of public affairs should be as close to the people as possible. This belief is exemplified in home rule authority, an amendment to the Kansas Constitution that was approved by the citizens of the state 50 years ago. The City opposes the usurpation of local control for determining building and safety codes.

The communities across Kansas are very diverse, and the choices made by local governing bodies reflect such diversity. We have major metropolitan communities with substantial infrastructure and we have rural communities that have limited infrastructure. Fire departments have different methods of tactical response. Some communities have codes and enforcement and some do not. Locally-elected governing bodies have the best understanding of what works best in their individual communities. Their decision making should not be constricted by a "one size fits all" mandate from the state.

The State Of Kansas has long nurtured and defended the home rule form of government; HB 2088 goes against that concept. On occasion, there have been discussions in the legislature as to whether there should be statewide set of building codes. Each time, the legislature has determined codes decisions are best made at the local level. House Bill 2088 being made law would begin, in effect, to create a statewide code in a reverse fashion.

The City of Overland Park considered the adoption of the 2009 International Codes, which contained provisions concerning fire sprinklers for residential structures. The Governing Body listened closely to constituents, including local homebuilders, and chose not to adopt those codes. There has been no further contemplation of these codes by the City.

The best question to be posed in relation to House Bill 2088 is, "What's next?" If the state passes HB 2088 we can expect to see additional bills further limiting local decisions, and we will slowly have a *de facto* state building code.

Supporting the exercise of authority and responsibility by locally elected officials is a top priority of the City of Overland Park. This constitutionally protected authority allows citizens to shape public policy to reflect their local priorities and sensibilities.

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TESTIMONY OF THE KANSAS ASSOCIATION OF COUNTIES
TO THE HOUSE COMMERCE
AND ECONOMIC DEVELOPMENT COMMITTEE
JANUARY 26, 2011

Chairman Brown and Members of the Committee:

I appreciate the opportunity to submit testimony in opposition to HB 2088.

The bill prohibits a city or county from enacting a building code that contains a requirement for fire protection sprinklers.

KAC and our member counties believe that local government is the best venue for discussion and a decision on issues pertaining to building codes. Building codes are a local issue and not a state issue, and we think Kansas citizens have easier access to a city councilman or a county commissioner to discuss the merits of this issue.

I would note that very few counties even have building codes, probably around 5-8. I've learned from conversations with county planning and zoning officials that those counties with building codes are not planning to adopt the code section relating to fire sprinklers, for some of the reasons you've heard articulated by the proponents. And in fact no county has adopted it yet. So it appears that a state law prohibiting fire sprinklers is unnecessary.

We would ask the committee to not pass HB 2088 and allow the government closest to the people -- Kansas cities and counties -- to decide this issue in the best interest of their communities.

I appreciate your consideration of our position on this matter.

Respectfully Submitted,

Melissa A. Wangemann
General Counsel and Director of Legislative Services

STATEMENT OF: WESLEY E. GALYON, KANSAS BUILDING INDUSTRY ASSOCIATION
TO: HOUSE COMMERCE AND ECONOMIC DEVELOPMENT COMMITTEE
DATE: JANUARY 26, 2011

Chairman Brown and Members of the Committee. I am Wess Galyon, President/ CEO of the Wichita Area Builders Association.

I am appearing today to speak on behalf of the membership of the Kansas Building Industry Association in support of HB 2088.

History of How Residential Sprinkler System Requirements Came to be Included in the 2009 Version of the International Residential Code:

On the very weekend the Federal Government proposed an historic bailout plan to rescue the financial markets (an ultimately get people back into a home buying mode), voting members of the International Code Council approved an unprecedented frontal assault on affordable housing. In Minneapolis, Minnesota on September 21, 2008, final votes were cast for the inclusion on mandatory residential fire sprinklers in the 2009 IRC Code – the Code utilized by most municipalities that recognize a building code. A two-thirds vote was required to adopt the mandate, but the deck was heavily stacked against affordability. Fire sprinkles manufacturers stand to gain billions of dollars, and they were willing to spend millions to get there – effectively mobilizing hundreds of eligible “yes voters” and fly them in from all over the country to vote for the change in the Code.

The sudden – and controversial – arrival of 900 fire officials to vote at the ICC’s final action hearings swelled the number of fire sprinkler system proponents, and the measure was approved ;by a vote of 1,283 to 470. About 1200 voting devices were turned in immediately after the residential fire sprinkler mandate was approved – suggesting that most of the proponents left the hearings immediately after the vote was taken.

To be a member of the International Code Council, you have to be a governmental member of the ICC. City and County building and fire officials were eligible to vote, and they were lobbied heavily, and effectively. It seems the only people not allowed to vote are those governed by the Code. Builders and others in the industry are not given the right to vote at this event. Our National Association of Home Builders lobby and members try to get on committees, but even then they are not allowed to vote.

There’s more. The ICC is a private entity. It is not answerable to any government entity, nor taxpayers. It is a private organization that develops the code that thousands of municipalities and counties dutifully adopt (usually, and unfortunately, with no local scrutiny, or discussion).

Reasons to Reject (and Prohibit) Residential Sprinkler System Requirements:

The consensus process utilized to develop and adopt code requirements due to what took place in regard to this issue is flawed.

This has resulted in a terrible public policy recommendation should the Code be adopted statewide by local jurisdictions. Local building code enforcement requirements, city officials, and county commissioners should exercise reasonable and wise judgment and reject it when they get the opportunity. However, many may not under pressure being exerted by fire officials via the selective

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utilization of claims that suggest the installation of residential fire sprinkler systems result in significant improvement in life safety and property protection. We believe such is not the case.

Housing affordability has reached a tipping point.

In most areas of the state, the median household income will not be able to support the purchase of a new home that buyers would be able to otherwise afford if fire sprinklers are required to be installed. The mandate would push home prices up another \$5,000 to \$7,000 out of reach, or more.

The mandate is most punitive against those who can least afford it.

Adding a few thousand dollars to the price of a million dollar home may not appear significant to some although it is to the buyers. But, what about a family buying a starter home? What about the buyers of homes built by Habitat for Humanity, Mennonite Housing, and other non-profit groups who serve an underserved segment of the home buying public?? The answer is simple and tragic: The families that would otherwise be able to afford a new home today, will not be able to in the future – thus relegating them to live in substandard housing where the vast majority of fires occur, instead of being able to gain access to simple, clean, and decent affordable housing.

Fire sprinkler technology is unreliable.

Most homeowners are unprepared to perform the maintenance required to ensure that fire sprinklers remain operational. Pipes installed in attics freeze in colder climates and, for any number of reasons, accidental discharges occur, with damaging results. In areas served by wells, or where water is scarce, or where water pressures are low such as in Rural Water Districts, the availability of an adequate water supply presents additional problems.

Adding sprinklers will not bring about any real improvement in life safety.

Fire deaths happen in older homes, not new ones. Basic modern building codes, smoke alarm installations requirements, and other common sense affordable residential fire protection have made new homes the safest in the nation's housing stock. In fact, the National Fire Protection Association's own data states that in homes equipped with smoke alarms the survivability rate is 99.45%. And, with the addition of residential sprinkler systems the survivability rate only increases slightly to 99.80%. A minute gain, if any, at a tremendous cost to new home buyers.

- Example of cost impact: The average number of new homes built in our area is 2,000 units annually under normal market conditions. Adding \$5,000 to \$7,000 to the cost of each new home built would mean that new home buyers, combined, would have to spend \$10,000,000 to \$14,000,000 annually.
- Based on data collected by and analyzed by the Department of Economics of the National Association of Home Builders, a \$1,000 increase in the price of a new home equates to 3,000 families not being able to qualify to buy the home they could have afforded prior to the increase. It's easy to understand the effect of adding \$5,000 to \$7,000 to the prices of new homes.

For these reasons stated we are asking that the Committee support passage of HB 2088 in support of ours, and others, continued efforts to support affordability in housing at all price points. But most importantly – to assure that buyers of new homes have the choice as to whether they want a residential sprinkler system installed in any new home they might purchase.

**Statement of Wichita Habitat for Humanity, Inc.
Regarding the elimination of Sunset provision in current law**

Dear Chairman and members of House Commerce and Economic Development Committee:

I am the Construction Director of Wichita Habitat for Humanity, Inc. (WHFH) which is a nonprofit affiliate of Habitat for Humanity International (HFHI), serving in Sedgwick County. Our organization is one of many HFHI affiliates serving across the state to help the very-low income population of our communities fulfill their American Dream of homeownership. The WHFH organization has built 138 houses and plans to build another 37 homes by 2012 year-end. WHFH's service makes a positive difference by:

- Equipping very-low income households who are living at 30% area median income with successful homeownership life skills
- Moving families out of poverty housing and offering them a hand up in life
- Building simple, decent and affordable houses
- Building 100% of the houses meeting code requirements and Energy-Star certification
- Selling houses at no profit to families who otherwise could not become homeowners
- Providing a 20-year 0% interest mortgage
- Generating property tax revenue paid by homeowner to support the local government revenue base.

All of this is done to keep the cost of homeownership below 30% of the household gross income. A typical three-bedroom house payment is approximately \$360.00, which includes principal, taxes and insurance.

WHFH is asking for your support to eliminate the Sunset provision in current law and keep Bill 2088 in place, thereby not requiring Fire Sprinklers in Single Family Dwellings.

- Residential fire sprinklers would place an unnecessary financial burden on all homeowners and especially the population served by WHFH. The additional cost of the fire sprinkler system at a moderately priced estimate of \$3.00/SF would result in:
 - The homeowner will have a 4.5% increase in their house payment for a three-bedroom house
 - WHFH will annually have to spend around \$58,000 of donor contributions to cover the additional construction cost and would therefore build at least one less home per year for one less needy family per year.

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- Sedgwick County will not receive the \$1,000 per year in property taxes for every house that WHFH is unable to build due to the additional cost required for construction of the fire sprinkler system.
- Requiring residential fire sprinklers will increase the financial struggles of the future WHFH homeowners and will make their chance of being successful homeowners that much harder. The maintenance and upkeep of the system should be considered also.
- Please consider how the scope of financial decision and choices made by homeowners of upper-end housing is far different than the limited choices available to households who are trying to survive in the very-low income range.
- Residential fire sprinklers do not save lives beyond what smoke detectors do. WHFH already installs two smoke detectors in each house they build and has proven to be successful in protecting the lives of 138 families living in WHFH's houses.

Wichita Habitat for Humanity joins the Wichita Area Builders Association and the Kansas Building Industry Association (KBIA) supporting the permanent removal of requiring the installation of the Fire sprinklers in single family dwellings.

Thank you for this opportunity to offer you this information on behalf of the families served by the Wichita Habitat for Humanity.

Respectfully,

Richard Stewart
Construction Director
Wichita Habitat for Humanity, Inc.



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Topeka, KS 66611
785-267-3610 Ext. 2133 (Office)
785-633-6649 (Cell)
Email: lbell@kansasrealtor.com

To: House Commerce and Economic Development Committee

Date: January 26, 2011

Subject: **HB 2088** -- Preserving the Freedom of Choice for Your Constituents by Prohibiting Municipalities from Mandating Installation of Fire Sprinklers in Residential Structures

Chairman Brown and members of the House Commerce and Economic Development Committee, thank you for the opportunity to testify today on behalf of the Kansas Association of REALTORS® to offer testimony in support of **HB 2088**. Through the comments expressed herein, it is our hope to provide additional legal and public policy context to the discussion on this issue.

KAR is the state's largest professional association, representing nearly 8,000 members involved in both residential and commercial real estate and advocating on behalf of the state's 700,000 homeowners for over 90 years. REALTORS® serve an important role in the state's economy and are dedicated to working with our elected officials to create better communities by supporting economic development, a high quality of life, sustainable communities and providing affordable housing opportunities, while protecting the rights of private property owners.

HB 2088 would prohibit municipalities (cities and counties) from adopting or enforcing any mandates that would require the installation of fire sprinklers in residential structures. For the purposes of this legislation, a "residential structure" means any improvement to real property, including a manufactured home, to be used or occupied as a single-family dwelling or multi-family dwelling of two units or less.

REALTORS® Believe that Your Constituents, Not Local Government Bureaucrats, Should Have the Freedom to Choose Whether to Install a Fire Sprinkler System in Their Homes

Fundamentally, the primary focus of this legislation is preserving the freedom of your constituents to decide for themselves whether they want to install an extremely expensive fire sprinkler system in their own home. When consumers are provided with the correct information and left to make their own choices in the marketplace, we believe that this enhances freedom and creates the right conditions for a dynamic and innovative economy. Accordingly, we will ask you to preserve this right.

Having said that, the last sentence in Section 2 specifically states that nothing in the legislation will prevent any person from voluntarily installing a fire sprinkler system in their own home if they so choose. As a result, any individual homeowner who is interested in installing a fire sprinkler system in his or her home will not be prohibited from doing so by the contents of this legislation.

By passing this legislation and eliminating the sunset date on the existing statute, you will continue to allow your constituents make their own choice as to whether the benefits of installing a fire sprinkler system outweigh the enormous costs. Accordingly, we believe that your primary focus in considering this issue should be maximizing the freedom of choice for your constituent**

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Mandating the Installation of Fire Sprinklers in Homes Will Be Extremely Expensive, Will Lead to Increases in the Cost of Housing and Will Price Many Kansas Families Out of the Housing Market

Compared to other states, Kansas is blessed with an abundance of affordable and quality housing opportunities for Kansas families. In 2010, the median sale price of both new and existing homes in Kansas was \$157,018. Compared to considerably more expensive housing markets in states such as California, which is roughly twice as expensive as Kansas with a median home price of \$301,850, housing in Kansas is some of the most affordable in the entire nation.

As a result, more Kansas families are able to purchase their own home than their counterparts in many other states and they are able to do so with a drastically lower portion of their median monthly income. In short, Kansas has an affordable housing market that many other states would love to emulate. In our opinion, keeping the Kansas housing market affordable for Kansas families stimulates economic growth and contributes to a high quality of life for Kansas families.

Outside of general economic factors, REALTORS® believe the major reason that the Kansas housing market is generally more affordable than other states is the lack of mandates and other burdensome restrictions in Kansas that artificially increase the cost of new and existing housing. As the number of mandates and restrictions on housing increase, there will be a corresponding increase in housing costs.

According to a survey conducted by the National Association of Home Builders (NAHB) in 2006, the average cost of installing a fire sprinkler system adds \$2.66 per square foot to the price of a home and these costs can range as high as \$6.88 per square foot. As a result, mandating the installation of fire sprinklers in a modest 1,500 square-foot home in Kansas could add a minimum of \$4,000 and a maximum of \$10,320 to the cost of that home, which is a huge burden on Kansas families.

For every \$1,000 increase in the cost of new homes in Kansas, several studies have concluded that up to 3,320 Kansas families could no longer afford to purchase a new home. Under the example discussed above, the minimum \$4,000 increase in the cost a home would price nearly 13,300 Kansas families and the maximum \$10,320 would price over 34,260 Kansas families out of the market for a home.

Given the enormous increase in costs associated with installing fire sprinklers in homes, we strongly believe that your constituents deserve to have the freedom to choose whether to install fire sprinklers in their homes. If any of your constituents choose to install fire sprinklers in their home, then nothing in **HB 2088** would prevent them from making that choice. To the contrary, **HB 2088** would empower them to make that decision and would preserve their freedom of choice.

When "Home Rule" and "Local Control" Conflict with Your Constituents' Economic Interests and Freedom of Choice, REALTORS® Believe that Your Constituents' Rights Should Have Priority

Finally, the main argument advanced by our opponents against this legislation center around the right of cities and counties to control their affairs through "home rule" and "local control." While we certainly have no problems with cities and counties directing their local affairs, we believe that the most important consideration should always be the economic interests and freedom of your constituents.

When a city or county threatens to deprive your constituents of the freedom of choice by mandating the installation of a burdensome and expensive fire sprinkler system, we believe you should return "local control" to its most fundamental principle, which is the right of individual homeowners to govern their own affairs in their own home. For all the foregoing reasons, we would urge the House Commerce and Economic Development Committee to support the provisions of **HB 2088**.

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Doris Nelson
Vice President (Zone2)
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Kevin Kimmel
Vice President (Zone3)
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The Associated Landlords of Kansas (TALK) was created in 1981 by a group of people from across Kansas to "Promote a strong voice in the legislature, a high standard of ethics, and provide educational opportunities for landlords." Some of our members helped create The Residential Landlord-Tenant Act of 1975, a model of fair law for both landlords and tenants. Our organization consists of members in 18 chapters across the state.

In this 2011 legislative session, we will continue to work for fair and decent housing for all.

Testimony on HB 2088

Several years ago The Associated Landlords of Kansas worked with the State Fire Marshall and firefighters from across the state to put in place a state-wide smoke detector law. We believed then, and we believe now, that a reasonable standard for fire safety was necessary to protect the lives of the citizens of Kansas.

Smoke detectors provide real benefits without creating an undue financial burden on the property owners and tenants. Sprinkler systems though, are expensive to install, and costly to maintain and repair. A child playing with a ball, a bachelor cooking a meal, or a poker party with one too many cigar smokers could all cause both a smoke detector and a sprinkler system to be activated. A smoke detector may then be simply reset, but an accidentally activated sprinkler system may cause thousands of dollars worth of water damage.

Homes sitting vacant would need to have those additional water lines winterized as well, causing additional expenses to landlords, home builders, and foreclosure companies.

We believe that sprinkler systems for residential homes are a good OPTION that some people would enjoy and be willing to pay for.

However, we do NOT believe that government mandated sprinkler systems are good public policy.

If we can be of help to you area concerning property rights, tenants, or landlords, please feel free to contact us at your convenience.

Ed Jaskinia, President

ZONE 1

Landlords of Lawrence Inc.
Landlords of Johnson County, KS Inc.
K.C.KS. Landlords Inc., serving Wyandotte Co.
Eastern Kansas Landlords Assoc., serving Miami Co.
Franklin Co. Landlords Assoc.
Osage Co. Landlords Assoc.

ZONE 2

Landlords of Manhattan Inc.
Labette County Landlords Assoc.
Geary County Landlords Inc.
Shawnee County Landlords Assoc.
Salina Rental Property Providers Inc.
South Central Kansas Landlord Assoc.
Serving Sumner and Reno Counties

ZONE 3

Central Kansas Landlords Assoc.
Bourbon County Landlords Assoc.
Cherokee County Landlords Assoc.
Crawford County Landlords Assoc.
Montgomery County Landlords Assoc.
Rental Owner Inc., serving Sedgwick County

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MID-AMERICA LUMBERMENS ASSOCIATION

**House Committee on Commerce & Economic Development
Testimony Regarding HB 2088
Relating to Residential Fire Protection Sprinkler Systems**

Testifier: Art Brown
Date: January 26, 2011

Good afternoon, Mr. Chairman and members of the Committee, and **thank you** for the opportunity to testify in FAVOR of House Bill 2088. My name is Art Brown and I represent the retail lumber and building material dealers in the State of Kansas through the auspices of the Mid-America Lumbermens Association.

A few years ago, the Kansas Legislature took up the issue of wood shake and shingle roofs in a bill that would have denied homeowners the opportunity to use these products. That bill was not passed because of one very central reason: A person should have the right to determine what sort of building products they want to use for their own home. It should not be a mandated issue.

Fast forward to HB 2088 and we again have a mandated issue before us requiring the installation of a residential sprinkler system in new residential housing after July 1st. This is the kind of mandate that looks good on paper, but brings about all sorts of unintended consequences in practice. The cost issue notwithstanding (which I'm sure has been discussed by others) and the possible failure of the system – and as any civil engineer would tell you, the near impossibility of having enough water pressure to run a

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A PROUD MEMBER OF THE NATIONAL LUMBER AND BUILDING MATERIAL DEALERS ASSOCIATION

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sprinkler system in some of our remote rural areas – it comes down to such an application being a consumer choice because the consumer will be paying the tab.

Since the landing of the pilgrims, people in this country have wanted and dreamed of a place they can call their own – their own home. When you purchase a home, you purchase a reflection of yourself. It is your individuality and your taste that goes into your home.

I emphasize here that it is the individual's home. I ask the Committee, if you were to build a new home, would you be willing to pay out of your pocket the added, significant expense of a sprinkler system when statistics show the increased protection is miniscule compared to a hard-wired smoke detection system? If not, then how could you require your constituents to do the same thing?

There are other ways to improve safety in housing and we would be willing to work with those who oppose this bill on such solutions. On this matter, however, as much as we respect the people who want to mandate this policy, we respectfully oppose this mandate they suggest. We hope you as a Committee agree and support our efforts to take this issue out of the hands of local governments and put it where it belongs – in the hands of your constituents.

You have a precedent from prior action regarding wood shakes and shingles. We are hopeful you will exercise that line of thinking and use your prerogative in this matter in the interest of consumer choice and pass HB 2088 as it stands.

I thank you for the opportunity to address the Committee on this matter and will stand for questions or comments.



**HOME BUILDERS ASSOCIATION
OF GREATER KANSAS CITY**



600 EAST 103RD STREET • KANSAS CITY, MISSOURI 64131-4300 • (816) 942-8800 • FAX (816) 942-8367 • www.kchba.org

Testimony on HB 2088
Home Builders Association of Greater Kansas City
Mike Brown, Brown Midwest, HBA Board of Directors Member
House Committee on Commerce and Economic Development
January 26, 2011

Mr. Chair and members of the committee, my name is Mike Brown and I am here today on behalf of the Home Builders Association of Greater Kansas City and my fellow 700 builder and associate members. I appear before you today to urge your support for HB 2088, legislation that will protect the right of home buyers to determine for themselves whether they want a fire sprinkler system installed in their home.

I operate a third generation family owned business. Over the last five decades we have built nearly 2,500 homes in a variety of styles and neighborhoods throughout Johnson and Wyandotte County.

As I am sure you are aware, the last few years the home building industry has been in a severe depression. The unemployment rate in our industry is 22 percent. In 2009 we saw our worst year on record in terms of housing permit activity. In 2010, although slightly better, it was still our third worst year on record.

However, there are slivers of hope. In 2010 we posted a 10 percent increase in building permit activity. The economist for the National Association of Home Builders (NAHB) predicts a 21 percent increase in housing starts over 2010. We have worked through the surplus of housing inventory to unprecedented low levels. In fact, some analysts say the market has overcorrected, and we may be facing a shortage of new housing.

I am optimistic the housing industry can and will recover, and our overall economy cannot be on a full path to recovery until it does. We can put people back to work, inject money into our local economies, and bring new residents to Kansas. The American dream of homeownership will continue.

But costly new regulations can harm and impede this potential recovery. Mandating the use of fire sprinklers in new homes will further drive up the cost of homes. Economic experts calculate a "priced out" figure that shows for every \$1,000 increase in cost of the median-priced home, there are 246,000 families nationwide who are "priced out" of that home.

NAHB studies have found the national average for fire sprinkler systems to be \$2.66 per square foot. But looking at local numbers, many actual recent bids for fire sprinklers have ranged from \$3.58 to \$4.83 per square foot. These are real dollars that consumers must pay, adding over \$7,500 to \$20,000 to the price of a home.

Do Business With A Member

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Homes built to code today have countless additional safety features including smoke alarms on every floor including the basement, in every bedroom, in hallways near them and they are interconnected and hard-wired, with battery back-up. When one sounds, they all sound.

Studies by the National Fire Protection Association show that if a person lives in a home with working smoke detectors, the chances of surviving a house fire are 99.45 percent. This is single-handedly the best way to save lives.

Let me be clear, any consumer that wants to have a fire sprinkler system in their home, and is willing to pay for it, can work with their builder to have this feature installed in their new home. As builders, we build what the market dictates.

Last year the Kansas Legislature passed this bill, however, it expires at the end of June this year. Over the past year few things have changed. The housing market is still in a depression. Fire sprinklers still impose a drastic cost that many consumers cannot pay for – if they even want it. And functioning smoke detectors are still the most efficient and effective means of protecting residents during a fire. For these reasons we ask you to support the legislation before you today. Thank you.

Additional Information & Facts

- Because of changes in residential construction technology, improved building code requirements – especially for electrical and smoke alarm systems – consumer behavior and the concerted efforts of fire fighters, home builders and other safety advocates, **the number of fatal fires has dropped dramatically in the last 20 years.** This trend continues and the decline is even more impressive given the significant population growth and growth in housing stock our nation continues to see.
- Thanks to widespread installation of residential smoke alarm systems in recent years, Americans are safer than they've ever been. A 2006 USFA study on the presence of working smoke alarms in residential fires from 2001-2004 showed that 88 percent of the fatal fires in single-family homes occurred where there were no working smoke alarms. The problem is not homes without sprinklers, **the problem is homes without working smoke alarms.**
- Our national population grew 36 percent between 1977 to 2006, according to the U.S. Census, while at the same time the rate of fires per 1,000 population fell 63 percent: from 14.9 in 1977 to 5.5 in 2006.
- Even more dramatic is the drop in the actual death rate per million persons from house fires. In fact, from 1979-2003, the rate dropped by more than 58 percent, based on data from the Centers for Disease Control.
- In 2005, fires occurred in less than four tenths of one percent (0.35%) of the existing one- and two-family homes. Of those fires, substantially less than percent (0.86%) resulted in fatalities.
- According to the most recent NFPA report on smoke alarms, it is estimated that over 890 lives could be saved annually if every home had working smoke alarms. 65% of the fire fatalities reported from 2000- 2004 occurred in homes where smoke alarms were not present or smoke alarms were present and did not operate.



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TO: Representative Anthony Brown, Chairman
And Members of the
House Commerce & Economic Development Committee

FROM: Martha Neu Smith
Executive Director

DATE: Wednesday, January 26, 2011

RE: HB 2088 – Concerning cities and counties relating to residential fire protection
sprinkler systems

Chairman Brown and members of the Committee, my name is Martha Neu Smith and I am the Executive Director for Kansas Manufactured Housing Association (KMHA) and I appreciate the opportunity to provide comments in support of HB 2088 – prohibits local governments from mandating fire sprinklers for new residential structures.

KMHA is a statewide trade association, which represents all facets of the manufactured and modular housing industry including manufacturers, retail centers, community owners and operators, finance and insurance companies, service and supplier companies and transport companies.

HB 2088 is important to the factory built housing industry for several reasons; first, we feel strongly that fire sprinkler systems should remain a personal choice. Second, fire sprinkler systems are expensive and drive up the costs of all new housing, including entry level housing. Third, HB 2088 is permissive, so if your constituent is building a new home and would like to have a fire sprinkler system, they can have one HB 2088 gives them the right to make that decision.

Costs: I recently had a manufacturer member who built and sold a modular home into one of our surrounding states where the local jurisdiction required residential fire sprinklers, the cost to that new homeowner was \$20,000 or \$4.35 per square foot. The cost of that fire sprinkler system rolled into a 30 year mortgage at 5% interest will cost that homeowner \$38,649.60. This expense does not include the annual maintenance cost, which according to the U.S. Fire Administration website (www.usfa.dhs.gov) "*maintenance is not a do-it-yourself job*", nor does it include any additional permitting or inspection fees by local governments or any fees that may be charged by water providers. **For families that are looking for affordable housing, these additional costs add up and can become a barrier to homeownership.**

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Home Rule: In 1998, the Kansas Legislature passed HB 2590, which requires smoke detectors in every single family residence including rental housing. By the passage of this legislation, home rule was usurped. That legislation was requested and passed on behalf of the fire protection industry.

Smoke Detectors: Manufactured Housing has been required by HUD to have smoke detectors since 1976, and according to a recent National Fire Protection Association (NFPA) report on smoke detectors, it is estimated that over 800 lives could be saved annually if every home had a working smoke detector; 65% of the fire fatalities reported from 2000-2004 occurred in homes where smoke detectors were not present or smoke detectors were present and did not operate. So, KMHA feels that smoke detectors are a very effective and efficient way to save lives.

In addition to the cost, KMHA has these added concerns:

- Unlike smoke alarms, there is no way to test sprinkler systems other than applying heat.
- Not all fires will activate the sprinkler system
- Having sprinklers provides no guarantee that fire hoses will not be used.
- There is no study that shows how long sprinkler systems last; 10 years? 15 years? 20 years? 30 years?

What are other states doing? Attachment. According to the NFPA's website, firesprinklerinitiative.org: California, Maryland and Pennsylvania have adopted the 2009 IRC with the fire sprinkler requirement and it went into effect January 1, 2011. South Carolina has also adopted the 2009 IRC but, delayed implementation until 2014.

Five states, Arizona, Kansas, Mississippi, Missouri and Montana have introduced legislation in 2011 that prohibits local jurisdictions from adopting mandatory fire sprinkler requirements.

It appears that 18 states have either passed legislation to not adopt fire sprinklers or have decided not to act on the fire sprinkler requirement.

In closing, KMHA would ask that you preserve the freedom of choice for your constituents to make an informed decision whether to install fire sprinkler systems in their homes. We respectfully ask the House Commerce and Economic Development Committee to support HB 2088.

Mr. Chairman, thank you for the opportunity to comment and I would be happy to try to answer any questions when appropriate.

The Fire Sprinkler Initiative is a project of the the National Fire Protection Association



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Anti-sprinkler legislation

States where anti-sprinkler legislation has been filed

Legislation/Adoptions

[Sprinkler requirements by state](#)

[Communities with sprinkler requirements](#)

Anti-sprinkler legislation

[2010 anti sprinkler legislation](#)

2011 legislation

Arizona

[HB2153](#): Prohibits any jurisdiction from adopting mandatory fire sprinkler requirements.

Mississippi

[SB2997](#): Prohibits state building code from requiring mandatory installation of fire sprinkler systems in one- and two-family dwellings.

Missouri

[HB90](#): Prohibits any jurisdiction from adopting mandatory fire sprinkler requirements.

[SB118](#): Companion bill to HB90.

[HB46](#): Repeals mandatory option statute and removes December 2011 expiration date.

[SB108](#): Companion bill to HB46.

Montana

[LC2007](#): Prohibits state building code from requiring mandatory installation of fire sprinkler systems in one- and two-family dwellings.

Also see: [anti-sprinkler legislation filed in 2010](#)

Advocacy

Use these help you research for home fire safety. Also see Fire camp tools.

[fact sheet home fire \(PDF\)](#)

[fact sheet anti-sprinkler legislation](#)

[making the case for sprinklers \(PDF\)](#)

[making the case for sprinklers \(PDF\)](#)

[form letter to legislators](#)

[form letter to legislators](#)

[form letter to service providers \(DOC\)](#)

[sample presentation home fire \(DOC\)](#)

[model language for sprinkler code \(DOC\)](#)

Legislation/Adoptions**Sprinkler requirements
by state****Communities with sprinkler
requirements****Anti-sprinkler legislation****States that have passed home fire sprinkler requirements****California**

The California Building Standards Commission voted to adopt the 2009 International Residential Code, including its requirements for automatic fire sprinkler systems in new one- and two- family dwellings, effective date January 1, 2011.

Maryland

The Maryland Department of Housing and Community Development has completed its adoption process of the 2009 IRC with a January 1, 2011 effective date.

Pennsylvania

The Pennsylvania Independent Regulatory Review Commission voted unanimously to adopt the 2009 IRC and will require the installation of automatic sprinkler systems in all newly constructed townhouses effective January 1, 2010, and in all new one- and two family homes effective January 1, 2011.

South Carolina

The South Carolina Building Code Council voted to adopt the 2009 IRC with an effective date of January 1, 2011. Requirement delayed until 2014 by legislative action.

Contact NFPA

If you'd like to learn more about getting fire sprinkler legislation introduced or passed in your state, please contact one of NFPA's Regional Directors listed below:

New England

Robert Duval
(CT, MA, ME, NH, RI, VT)

Mid-Atlantic

Ben Roy
(DC, DE, MD, NJ, NY, PA, VA, WV)

Southern Region

Randy Safer
(AL, AR, FL, GA, LA, MS, NC, OK, SC, TN, TX)

Central Region

Russ Sanders
(IL, IN, IA, KY, MI, MN, MO, OH, WI)

Northwest Region

Crosby Grindle
(AK, ID, MT, NE, OR, ND, SD, WA, WY)

Southwest Region

Ray Bizal
(AZ, CA, CO, HI, KS, NM, NV, UT)

Status of home fire sprinkler requirements in other states

State	Promulgating body action	Status
Alaska	No statewide building code, but local jurisdictions may adopt	Ongoing
Alabama	No statewide building code. Local jurisdictions may not adopt due to legislative action	Not adopted due to legislative action
Arkansas	No statewide adoption, but local jurisdictions may adopt	Ongoing
Arizona	No statewide building code. Local jurisdictions may not adopt due to legislative action	Not adopted due to legislative action
Colorado	No statewide building code, but local jurisdictions may adopt	Ongoing
Connecticut	Rulemaking body voted not to adopt. Study committee report pending	Pending
Delaware	No statewide building code, but local jurisdictions may adopt	Ongoing
Florida	Rulemaking body unable to adopt due to legislative action	Not adopted due to legislative action
Georgia	Rulemaking body unable to adopt due to legislative action	Not adopted due to legislative action
Hawaii	Referred to study committee	Pending
Idaho	Rulemaking body unable to adopt due to legislative action	Not adopted
Illinois	Local jurisdictions must adopt a building code. If locals don't adopt, the 2006 IBC is the default.	Ongoing
Indiana	Adoption action awaiting final hearing	Pending
Iowa	Not adopted due to legislative action. Local jurisdictions may adopt.	Ongoing
Kansas	No statewide building code. Legislative action places moratorium until July 1, 2011. Pending study committee report	Pending
Kentucky	2009 adoption cycle skipped for budgetary reasons.	Pending
Louisiana	Rulemaking body unable to adopt due to legislative action. State Fire Marshals' Office is conducting study	Not adopted due to legislative action
Maine	Rulemaking body voted not to adopt	Not adopted
Massachusetts	Adoption action awaiting study committee report	Pending
Michigan	Rulemaking body voted not to adopt requirement	Not adopted
Minnesota	State voted to skip the 2009 code cycle for fiscal reasons	Pending
Mississippi	No statewide building code. No action in 2010	Ongoing
Missouri	No statewide building code. Legislative action placed moratorium and mandatory option until 12/2011	Pending
Montana	No action in 2010	Ongoing
Nebraska	Referred to study committee by legislative action	Ongoing
Nevada	No statewide building code. Local jurisdictions may adopt.	Ongoing
New Hampshire	Rulemaking body voted to adopt. Legislative action nullified adoption.	Not adopted due to legislative action
New Jersey	Rulemaking body voted to adopt. Administrative action by governor nullified requirement	Not adopted due to administrative action
New Mexico	Rulemaking body voted not to adopt requirement	Not adopted
New York	2006 IRC adopted during this cycle	Pending
North Carolina	Rulemaking body voted to include only the townhouse requirement or a two-hour separation between units	Adopted with amendment
North Dakota	Not adopted due to legislative action	Not adopted
Ohio	Committee voted not to adopt. Pending rulemaking body action	Pending
Oklahoma	Townhouse requirement adopted. One- and two-family dwelling moved to appendix allowing local adoption	Ongoing
Oregon	Committee voted to remove requirement but allows local jurisdictions to adopt. Pending final rulemaking body action	Pending
Pennsylvania	Rulemaking body voted to adopt. Effective date for townhomes 2010, one- and two-family dwellings Jan. 1, 2011	Adopted
Rhode Island	Promulgating body voted to move the requirement to the appendix. Pending legislative approval and study group report	Pending
South Carolina	Rulemaking body voted to adopt with implementation deferred to 1/1/2014 by legislative action	Adopted
South Dakota	Not adopted due to legislative action	Not adopted
Tennessee	Rulemaking body voted not to adopt. Local jurisdictions may adopt	Ongoing
Texas	Not adopted due to legislative action. Local jurisdictions may not adopt.	Not adopted due to legislative action
Utah	Rulemaking body voted not to adopt requirement	Not adopted
Vermont	No adoption cycle in 2010	Pending
Virginia	Rulemaking body voted not to adopt requirement	Not adopted
Washington	Rulemaking body voted not to adopt requirement. Local jurisdictions may adopt under certain conditions	Not adopted but allows local adoption
West Virginia	Rulemaking body voted not to adopt requirement	Not adopted
Wisconsin	State residential code does not include requirement. Locals may not adopt due to legislative action	Not adopted
Wyoming	No statewide building code. Local jurisdictions may adopt	Ongoing



January 25, 2011

Ashley Jones-Wisner
Local Initiatives Support Corporation
913-375-7264
www.lisc.org/KansasCity

RE: House Bill 2088

Mr. Chairman and Members of the House Commerce and Economic Development Committee,

I want to thank you for the opportunity to present written testimony in support of HB 2088. My name is Ashley Jones-Wisner and I am Director of State Policy at Greater Kansas City LISC. Greater Kansas City LISC is a program area of the Local Initiatives Support Corporation, the nation's largest community development organization, dedicated to revitalizing urban core and rural neighborhoods. Currently, Greater Kansas City LISC's signature program, NeighborhoodsNOW, serves three Kansas City, Kansas Neighborhoods: Douglass-Sumner, Downtown KCK and St. Peter/Waterway.

Greater Kansas City LISC started the Kansas Housing Policy Network about four years ago. Although it began with only a hand-full of individuals from across the state, it has grown to include over 400 members interested in the creation of community development tools. The Kansas Housing Policy Network includes representation from homebuilders, realtors, homeless providers and advocates, community development corporations including LISC, and many other interested entities.

In most cases, community development organizations are the developers of last resort. The creation of safe, decent and affordable housing in the neighborhoods we serve is a top priority. The adoption of a fire sprinkler mandate will have a negative impact on housing affordability for Kansas families. Due to the high cost of installing fire sprinklers in homes, the number of affordable homes funded by LISC and other community development organizations we partner with would decrease.

We encourage you to support House Bill 2088, for the purpose of ensuring safe, decent and affordable housing in Kansas communities.

HOUSE COMMERCE & ECONOMIC
DEVELOPMENT
DATE: 1/26/11
ATTACHMENT: 19-1

1 classified status of any transferred person employed by the Kansas
2 technology enterprise corporation.

3 New Sec. 4. (a) When any conflict arises as to the disposition of any
4 property, power, duty or function or the unexpended balance of any
5 appropriation as a result of any abolition or transfer made by or under
6 section 2, and amendments thereto, shall be resolved by the governor,
7 whose decision shall be final.

8 (b) The department of commerce shall succeed to all property,
9 property rights and records which were used for or pertain to the
10 performance of powers, duties and functions transferred to the department
11 of commerce pursuant to section 2, and amendments thereto. Any conflict
12 as to the proper disposition of property, personnel or records arising under
13 this section or sections 2 or 3, and amendments thereto, shall be
14 determined by the governor, whose decision shall be final.

15 New Sec. 5. (a) On the effective date of this act, the following
16 powers, duties and functions of the Kansas technology enterprise
17 corporation are hereby transferred to and conferred and imposed upon the
18 board of regents:

19 (1) All powers, duties and functions under K.S.A. 74-8106, and
20 amendments thereto, relating to the centers of excellence established
21 under K.S.A. 74-8106, and amendments thereto; (2) all powers, duties
22 and functions under K.S.A. 74-8102 through 74-8111, and amendments
23 thereto, relating to the strategic technology and research (STAR) fund;
24 and

25 (3) all powers, duties and functions under K.S.A. 74-8102 through
26 74-8111, and amendments thereto, relating to the experimental program
27 to stimulate competitive research (EPSCoR).

28 (b) The director of accounts and reports shall transfer all balances
29 for all funds or accounts thereof appropriated or reappropriated for the
30 Kansas technology enterprise corporation relating to the powers, duties
31 and functions transferred by this section, and amendments thereto, to the
32 board of regents.

33 (c) All liabilities of the Kansas technology enterprise corporation
34 relating to the powers, duties and functions transferred by this section,
35 and amendments thereto, including accrued compensation or salaries of
36 officers and employees who are transferred to the board of regents under
37 this section, and amendments thereto, shall be assumed and paid by the
38 board of regents.

39 New Sec. 6. On and after the effective date of this act: (a) The board
40 of regents shall be the successor in every way to the powers, duties and
41 functions of the Kansas technology enterprise corporation in which the
42 same were vested prior to the effective date of this section, and
amendments thereto, and that are transferred pursuant to section 5, and

1 ongoing basic research with a particular focus that will have long-run
 2 potential for commercial development. The centers should build on
 3 institutional strengths and be in areas of research where the educational
 4 institution has achieved or has true promise of attaining a standard of
 5 excellence as recognized by national and international peers.

6 (1) The Kansas technology enterprise basic research fund is hereby
 7 created to which shall be credited any state funds specifically so
 8 designated. The fund is not to be used for applied research, technology
 9 transfer, technical assistance or training except as it is incidental to the
 10 basic research intended to be benefited by this section.

11 (2) The ~~corporation~~ **board of regents** may use the Kansas technology
 12 enterprise basic research fund to carry out the purposes of ~~this act~~ *K.S.A.*
 13 *74-8102, and amendments thereto*, by awarding funds to establish new
 14 centers of excellence for basic research or to increase funding to such
 15 already established centers of excellence so long as those centers are
 16 determined to be primarily carrying out basic research and to meet the
 17 standards of excellence required by ~~this act~~ *this section and K.S.A. 74-*
 18 *8102 and amendments thereto*. Awards of funds shall be made on a
 19 competitive basis, and all proposals for new centers of excellence shall be
 20 subject to external peer review on the basis of scientific merit which meet
 21 national standards of excellence and subsequent potential for commercial
 22 application.

23 (c) Centers of excellence for applied research and development will
 24 primarily undertake applied research and development with a particular
 25 focus that will have long-run potential for commercial development. The
 26 centers should build on institutional strengths and be in areas of research
 27 where the educational institution has achieved or has true promise of
 28 attaining a standard of excellence in applied research and development.

29 (1) The Kansas technology enterprise applied research and
 30 development fund is hereby created to which shall be credited any state
 31 funds specifically so designated. The fund is not to be used for basic
 32 research, technology transfer, technical assistance or training except as it
 33 is incidental to the applied research and development intended to be
 34 benefited by this section.

35 (2) The ~~corporation~~ **board of regents** may use the Kansas technology
 36 enterprise applied research and development fund to carry out the
 37 purposes of this act by awarding funds to establish new centers of
 38 excellence for applied research and development or to increase funding to
 39 such already established centers of excellence so long as those centers are
 40 determined to be carrying out primarily applied research and
 41 development, and to be meeting the standards of excellence required by
 42 this act. Awards of funds shall be made on a competitive basis, and all
 43 proposals for new centers of excellence shall be subject to external peer

Comment [1]: department of commerce

Comment [2]: department of commerce

1 review on the basis of scientific merit which meets national standards of
2 excellence and subsequent potential for commercial application.

3 (d) Centers of excellence for technology transfer will primarily
4 undertake ongoing transfer of technology from educational institutions to
5 Kansas business.

6 (1) The Kansas technology enterprise technology transfer fund is
7 hereby created to which shall be credited any state funds specifically so
8 designated. The fund is not to be used for basic research, applied research
9 and development, technical assistance or training except as it is incidental
10 to the technology transfer intended to be benefited by this section.

11 (2) The ~~corporation~~ **board of regents** may use the Kansas technology
12 enterprise technology transfer fund to carry out the purposes of this act
13 *K.S.A. 74-8102, and amendments thereto*, by awarding funds to establish
14 new centers of technology transfer or to increase funding to such already
15 established centers of excellence so long as those centers are determined
16 to be carrying out primarily technology transfer.

17 (3) Awards of funds shall be made on a competitive basis and all
18 proposals for new centers of excellence shall be subject to external peer
19 review on the basis of merit which meets national standards of excellence
20 and potential for increasing the competitiveness of Kansas business.

21 (e) The ~~corporation~~ **board of regents** shall award funding to centers
22 of excellence transfer in accordance with subsections (g) and (h).

23 (f) In carrying out its functions under this section, the ~~corporation~~
24 **board of regents** is directed to create a centers of excellence committee to
25 assist in evaluating the establishment of new centers of excellence and in
26 evaluating increases in funding for already established centers of
27 excellence. The membership of the centers of excellence committee may
28 include ~~both directors and staff members of the corporation employees of~~
29 ~~the~~ **board of regents**, and other persons drawn from sources other than the
30 ~~corporation who meet standards similar to those applying to the board of~~
31 ~~directors and~~ **board of regents** who are recognized by their peers for
32 outstanding knowledge and leadership in their fields.

33 (g) The ~~corporation~~ **board of regents** shall award funding for new
34 centers and increased funding for established centers only after:

35 (1) Developing, adopting and publishing the criteria it shall use
36 when evaluating centers of excellence;

37 (2) developing a level of core funding for each center of excellence;
38 and

39 (3) receiving the recommendation of the centers of excellence
40 committee which will review proposals for new or established centers of
41 excellence containing:

42 (A) Documentation that not less than 50% of the center's funding
above the established level of core funding will be matched by sources

Comment [3]: department of commerce

Comment [4]: department of commerce

Comment [5]: department of commerce

Comment [6]: department of commerce

Comment [7]: department of commerce

1 other than the ~~corporation~~ **board of regents**; machinery or equipment may
 2 be considered as part of the matching funds, but must be accompanied by
 3 a statement that the center of excellence has received the machinery or
 4 equipment, it is state of the art; and either

5 (i) verifying that the machinery or equipment is donated and has
 6 only been used in testing to insure quality control, or used by a
 7 wholesaler or retailer for demonstration purposes only; or

8 (ii) detailing the price paid by the center of excellence, with an
 9 invoice showing the amount paid for the equipment;

10 (B) a description of a potential for future benefit to industry;

11 (C) an itemized operations budget; and

12 (D) other information that may be required by the **board of regents**.

13 (h) The **board of regents** shall approve proposals to establish new
 14 centers of excellence after the **board of regents** finds, based upon the
 15 proposal submitted, external peer reviews, and such additional
 16 investigation as the staff of the ~~corporation~~ shall make and incorporate in
 17 its minutes. **board of regents** shall make that:

18 (1) The proposed center of excellence has the potential to stimulate
 19 economic growth by bringing together educational institutions and
 20 businesses in partnerships to focus on basic research, applied research
 21 and development, and technology transfer;

22 (2) the center has the long-run potential for benefit to existing and
 23 new businesses through innovation and development of new technology;
 24 and

25 (3) approval of the proposal will not create or foster unnecessary
 26 duplication of programs, particularly at the graduate level of instruction.

27 (i) Each existing Kansas center of excellence is eligible for annual
 28 support from the ~~corporation~~ **board of regents** according to the same
 29 terms and conditions as provided in this ~~aet~~ *section* for new centers
 30 except that an external peer review to determine under what provision of
 31 this ~~statute~~ *section* and by what terms continuing funding is appropriate
 32 shall be conducted annually during the first three years after the center of
 33 excellence is established and shall be conducted biennially thereafter. In
 34 the years between external peer reviews conducted on a biennial basis,
 35 the ~~corporation~~ **board of regents** shall conduct internal reviews to
 36 determine under what provision of this statute and under what terms
 37 continuing funding is appropriate.

38 (j) ~~Any commercialized research that results from the funding of a~~
 39 ~~center of excellence shall be subject to negotiations under provisions of~~
 40 ~~(21) and (22) of subsection (a) of K.S.A. 74-8104 and amendments~~
 41 ~~thereto.~~ The **board of regents** may require any educational institution
 42 where a center of excellence is located to oversee the operation of such
 center of excellence.

Comment [8]: department of commerce

Comment [9]: department of commerce

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institutions and Kansas private enterprises in order to move innovation and applied research toward commercial application;

(3) engaging in seed-capital financing for the development and implementation of innovations or new technologies for existing resource, technology-based and emerging Kansas businesses; and

(4) providing technical referral services to such small, new, emerging or mature businesses and encouraging Kansas educational institutions to establish technical information data bases and industrial liaison offices which are easily accessible by both private and public sector Kansas organizations.

(c) ~~The department of commerce, Kansas, Inc. and All other interested state agencies shall cooperate with the Kansas technology enterprise corporation~~ **a department** of commerce in providing information and other assistance as may be requested for the performance of its duties with respect to the state's economic development strategy.

Sec. 17. K.S.A. 74-8103 is hereby amended to read as follows: 74-8103. As used in this act, unless the context clearly requires otherwise:

(a) "Applied research" means those research activities occurring at educational institutions and in private enterprises, which have potential commercial application;

(b) "basic research" means research that has long range generic value to an industry classification or group of companies. Basic research is distinguished from applied research which has more short range present value to a single company or project;

(c) ~~"corporation" means the Kansas technology enterprise corporation;~~ *"board" means the Kansas technology enterprise advisory board;*

(d) *"department" means the department of commerce;*

~~(d)~~ (e) "educational institutions" means public and private community colleges, colleges and universities in the state;

~~(e)~~ (f) "enterprise" means a firm with its principal place of business in Kansas which is engaged or proposes to be engaged in this state in agricultural, natural resource-based or other manufacturing, research and development, or the provision of technology-based services;

~~(f)~~ (g) "new technology" means the development through science or research of methods, processes and procedures, including but not limited to those involving the utilization of agricultural products and by-products and oil and gas and other mineral resources for practical application in industrial and service situations;

~~(g)~~ (h) "person" means any individual, partnership, corporation or joint venture carrying on business or proposing to carry on business within the state;

~~(h)~~ (i) "product" means any product, device, technique or process,

Comment [1]: department

1 *department* by the enterprise for adequate reporting of financial data to
2 the ~~corporation~~ *department*, which shall include a requirement for an
3 annual report, or if required by the board, an annual audit of the financial
4 and operational records of the enterprise, and for such control on the part
5 of the ~~corporation as the board of directors~~ *department of the secretary*
6 shall consider prudent over the management of the enterprise, so as to
7 protect the investment of the ~~corporation~~ *department*, including in the
8 discretion of the ~~board~~ *secretary* and without limitation, right of access to
9 financial and other records of the enterprise.

10 (f) The ~~board of directors~~ *secretary* shall create an investment
11 committee to assist in evaluating potential investments in qualified
12 securities. The membership of this investment committee may include
13 both directors and staff members of the ~~corporation~~ *department*, and other
14 persons drawn from sources other than the ~~corporation who meet~~
15 ~~standards similar to those applying to the board of directors and~~
16 *department* who are recognized by their peers for outstanding knowledge
17 and leadership in their fields, all of whom shall serve at the pleasure of
18 the ~~board~~ *secretary*.

19 (g) The ~~corporation~~ *secretary* shall not make investments in
20 qualified securities issued by enterprises in excess of the amount
21 necessary to own more than 49% of qualified securities in any one
22 enterprise at the time of the purchase by the ~~corporation~~ *department*, after
23 giving effect to the conversion of all outstanding convertible qualified
24 securities of the enterprise except that in the event of severe financial
25 difficulty of the enterprise, threatening, in the judgment of the ~~board of~~
26 ~~directors~~ *secretary*, the investment of the ~~corporation~~ *department* therein,
27 a greater percentage of such securities may be owned by the ~~corporation~~
28 *department*.

29 Sec. 24. K.S.A. 74-8110 is hereby amended to read as follows: 74-
30 8110. (a) The ~~Kansas technology enterprise corporation~~ *secretary* shall
31 establish a clearinghouse to provide technology transfer and technical
32 referral services and shall fund educational institutions to establish
33 technical information data bases and industrial liaison offices which are
34 easily accessible by both private and public sector organizations.

35 (b) The ~~corporation~~ *secretary* shall provide to private enterprises and
36 individuals, services which include, but are not limited to:

37 (1) Disseminating such research and technical information as is
38 available to the ~~corporation~~ *department*;

39 (2) referring clients to researchers or laboratories for the purpose of
40 testing and evaluating new products, processes or innovations;

41 (3) assisting persons developing innovations or new technology in
42 locating enterprises or entrepreneurs that may be interested in applying
such innovations or new technologies; and

1 bioscience research and development;

2 (2) a technical research plan that is sufficient for outside expert
3 review;

4 (3) a detailed financial analysis that includes the commitment of
5 resources by the applicant and others;

6 (4) sufficient detail concerning proposed project partners, type and
7 amount of work to be performed by each partner and expected product or
8 service with estimated costs to be reflected in the negotiated contract or
9 agreement; and

10 (5) a statement of the economic development potential of the
11 project.

12 (d) Before providing the qualified company with a certificate
13 authorizing voucher funding from the authority ~~through KTEC~~, the
14 authority may negotiate with the qualified company the ownership of
15 patents, copyrights, trademarks, proprietary technology and any other
16 intellectual property rights, royalties and equity relating to the bioscience
17 research and development project on behalf of the research and
18 development voucher fund for the purpose of reinvesting and sustaining a
19 continuous fund to carry out the provisions of this act.

20 Sec. 42. K.S.A. 2010 Supp. 74-99c03 is hereby amended to read as
21 follows: 74-99c03. (a) There is hereby created a body politic and
22 corporate to be known as the Kansas center for entrepreneurship. The
23 secretary of commerce, after consulting with the board of directors, shall
24 enter into a contractual agreement for the operation of the center. The
25 center's exercise of all the rights, powers and privileges conferred by this
26 act and shall be deemed and held to be the performance of an essential
27 government function.

28 (b) The center shall be governed by a board of **11** directors. The
29 board of directors shall be appointed by the secretary of commerce and
30 shall be comprised of individuals who have demonstrated entrepreneurial
31 success, including one member from each of the following organizations:

- 32 (1) Three at-large entrepreneurs,
- 33 (2) An agricultural entrepreneur knowledgeable in biosciences,
- 34 (3) banking industry,
- 35 (4) travel/tourism industry,
- 36 (5) enterprise facilitation,
- 37 (6) Kansas chamber of commerce and industry,
- 38 (7) Kansas small business development centers, *and*
- 39 (8) ~~Kansas technology enterprise corporation and~~
- 40 (9) national federation of independent businesses.

41 (c) (1) Members shall serve for a term of four years and until such
42 members' successors are appointed, except that, of the members first
appointed, three shall serve for a term of two years, three shall serve for a

Comment [2]: 10

1 institutions under the jurisdiction of the Kansas board of regents; such
 2 negotiated royalty arrangements should reflect an appropriate sharing of
 3 legal risk as well as financial return between the ~~corporation~~ department
 4 and educational institution; such patents and licenses shall be in keeping
 5 with the patent policies of the Kansas board of regents;

6 ~~(23)~~ (22) exercise any other powers necessary for the operation and
 7 functioning of the ~~corporation within the purposes authorized in this act~~
 8 ~~department within the purposes of K.S.A. 74-8101 through 74-8104 and~~
 9 ~~74-8107 through 74-8111, and amendments thereto;~~

10 (24) (23) participate with any state agency or educational institution
 11 in developing specific programs and goals to assist in the development of
 12 industrial innovation, applied research and new technology of special
 13 importance to the Kansas economy, and monitor performance;

14 ~~(25) cooperate with the department of commerce regarding financial~~
 15 ~~assistance programs targeted to small enterprises of special importance to~~
 16 ~~the Kansas economy; and~~

17 ~~(26)~~ (24) provide resource-based, scientific and technological data
 18 and information required by the governor, the legislature, or its
 19 committees, and to state agencies, educational institutions and cities,
 20 counties and school districts and to private citizens and groups, within the
 21 limitations of the resources available to the ~~corporation~~ department. This
 22 service shall be in addition to any services currently provided by any
 23 educational institution, committee or other organization in the state.

24 (b) ~~The corporation shall be exempt from all franchise, corporate~~
 25 ~~business and income taxes levied by the state. However, this act is not~~
 26 ~~intended to exempt from any such taxes, or from any taxes levied in~~
 27 ~~connection with the manufacture or sale of any products or processes~~
 28 ~~which are the subject of any agreement made by the corporation, or any~~
 29 ~~person entering into any agreement with the corporation.~~

30 (e) Documents and other materials submitted to the ~~corporation~~
 31 ~~department~~ by Kansas businesses shall not be public records if such
 32 records are trade secrets under the uniform trade secrets act (K.S.A. 60-
 33 3320 et seq. and amendments thereto) or are determined by the
 34 ~~corporation~~ department to be business secrets, and shall be maintained in
 35 a secured environment by the ~~president secretary~~.

36 ~~(d) (c) The corporation department shall not be subject to state~~
 37 ~~purchasing laws.~~

38 Sec. 19. K.S.A. 74-8106 is hereby amended to read as follows: 74-
 39 8106. (a) The purpose of this section is to authorize the establishment of
 40 three types of centers of excellence at educational institutions: Centers of
 41 excellence for basic research, centers of excellence for applied research
 42 and development, and centers of excellence for technology transfer.

3 (b) Centers of excellence for basic research will primarily undertake