

Updated for the 2016 Legislative Session and includes any amendments adopted to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$175,450	\$110,000	\$47,850	\$83,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$175,450	\$110,000	\$47,850	\$83,000

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 306 amends the Conveyance Safety Act.

The bill changes the makeup and membership of the Conveyance Advisory Committee. It now requires that one member of the Committee be a representative of labor involved in the elevator industry and, after the expiration of the terms of the members of the general public from counties of more than 100,000 inhabitants, that the Governor fill those positions with representatives from three different counties to represent (one each) urban, suburban, and rural interests. In general the members are to serve three year terms except the state elevator inspector and State Fire Marshal who shall serve continuously.

LB 306 provides the committee with the prerogative of recommending to the Commissioner of Labor legislative changes to the Conveyance Safety Act deemed appropriate by the committee.

The bill amends the Act to exempt from the provisions of the Act, elevators, platform lifts, and stairway chair lifts in private residences and single-family dwellings except, the Act applies to conveyances in private residences in counties with a population of more than 100,000 inhabitants at the time of installation and upon the transfer of ownership of the private residence. It adds platform lifts and stairway chairs not in private residences or single-family dwellings to the list of regulated conveyances.

In addition, the Act does not apply to conveyances used exclusively for agricultural purposes except upon the written request of the property owner to the state elevator inspector.

The bill strikes language from Section 48-2508 that exempts conveyances in residences located in counties that have a population of 100,000 or less inhabitants from the Act.

It also amends Section 48-2512 to apply the strictures of this section statewide, that a licensed elevator mechanic is required to wire, alter, replace, remove, or dismantle an existing conveyance or the person performing those activities is working under the supervision of a licensed elevator mechanic except in cases where the conveyance is being removed from a building that is being completely demolished.

The Department of Labor indicates that the cost to implement the provisions of LB 306 will be \$175,450 in FY16-17 and \$47,850 in FY2017-18. The increased cost in FY2016-17 is due to the number of additional inspections that will have to be made in areas where, previous to LB 306, only limited inspections were made. Due to current staffing levels it is anticipated that these inspections will have to be made by the Department's contract inspection agency. Increased revenue is due to the increase in the number of inspections and the fee charged per unit inspected.

We have no basis to disagree with the Department of Labor's estimate of fiscal impact.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 306	AM:	AGENCY/POLT. SUB: Department of Labor	
REVIEWED BY: Robin Kilgore		DATE: 12/3/2015	PHONE: 471-4180
COMMENTS: No basis to disagree with agency estimate of fiscal impact.			

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2016

LB⁽¹⁾ 306

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Labor

Prepared by: ⁽³⁾ Christopher Cantrell Date Prepared: ⁽⁴⁾ 11-30-2015 Phone: ⁽⁵⁾ 402-471-4721

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	<u>175,450</u>	<u>110,000</u>	<u>47,850</u>	<u>83,000</u>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>175,450</u>	<u>110,000</u>	<u>47,850</u>	<u>83,000</u>

Explanation of Estimate: This legislative bill will restore platform lifts and stair chairs to the list of regulated conveyances, and would allow owners of agriculturally exempted units to request inspections. This change will add approximately 450 chair and platform lift units to the annual inspection program for the agency and could possibly include an additional 100 agricultural units that are currently exempt (upon request of the owner only).

During year one, there will be significant cost impact from this change as most of these types of units are contained in areas where limited elevator inspections are presently being performed such as rural schools and commercial buildings. Almost all of these units would require initial acceptance inspections to be brought into the system. Based upon current staffing levels, it is anticipated that these units would have to be inspected by our contract inspection agency at a rate of \$319 per unit resulting in a year one expense of \$175,450.00. Revenue for the first year is based upon charging the owners \$200 per unit inspected.

During year two and beyond it is anticipated that the contractual inspection agency would perform all annual inspections at a rate of \$87 per unit for all 550 units for an expense of \$47,850.

The increased revenue beginning in FY 16-17 is based upon the projected increase in chair lift units (450) with the currently approved \$140 per unit inspection fee for increased revenue of \$63,000, and includes an additional \$20,000 in annual revenue for requested special inspections of agricultural conveyances at \$200 per unit.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Total Salaries				
Benefits.....				
Operating.....			<u>175,450</u>	<u>47,850</u>
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>175,450</u>	<u>47,850</u>