

Updated for the 2018 Legislative Session and includes any amendments adopted to-date.

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2018-19</b>		<b>FY 2019-20</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	\$382,800	\$240,000	\$53,360	\$47,200
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$382,800</b>	<b>\$240,000</b>	<b>\$53,360</b>	<b>\$47,200</b>

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

LB 363 amends the Conveyance Safety Act.

The bill changes the makeup and membership of the Conveyance Advisory Committee. The bill 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, the Governor is to fill those positions with representatives from three different counties who reside, respectively in a) a county containing a metropolitan class city; b) a county with a population of at least 100,000 but less than 400,000 inhabitants; and c) a county with less than 100,000 inhabitants. In general the members are to serve three year terms except the state elevator inspector and State Fire Marshal who shall serve continuously.

LB 363 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 provide that the Act applies to conveyances in private residences in all counties and for inspections upon the transfer of ownership of the private residence. It adds platform lifts and stairway chairs in private residences 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.

Section 48-2516 is amended to provide for inspections conducted in calendar year 2018 in counties with less than 100,000 inhabitants, the certificate of inspection shall notify the owner of the licensure requirements in the Conveyance Safety Act.

The bill has different operative dates for different sections but the majority of sections and the majority of substantive changes have an operative date of January 1, 2019.

The Department of Labor indicates that the cost to implement the provisions of LB 363 will be \$382,800 in FY18-19 and \$53,360 in FY2019-20. The increased cost in FY2018-19 is due to the number of additional inspections that will have to be made in areas where, previous to LB 363, 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 agree with the Department of Labor estimate of fiscal impact.

	Expenditures	Revenue
FY2017-18:	\$ 0	\$ 0
FY2018-19	\$ 383,800	\$ 240,000
FY2019-20	\$ 53,360	\$ 47,200

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2018

LB<sup>(1)</sup> 363

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Labor

Prepared by: <sup>(3)</sup> Christopher Cantrell Date Prepared: <sup>(4)</sup> 11-21-2017 Phone: <sup>(5)</sup> 402-471-4721

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	382,800	240,000	53,360	47,200
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>382,800</u>	<u>240,000</u>	<u>53,360</u>	<u>47,200</u>

Explanation of Estimate: LB 363 expands the type of conveyances currently under the Conveyance Safety Act. As such, the Department of Labor will see increased costs. LB 363 adds platform lifts, stairway chair lifts that are installed in private residences and elevators installed in private residences in counties with a population of 100,000 people or less to the list of regulated conveyances. Further, LB 363 allows owners of agriculturally exempted units to request inspections. These changes will require approximately 550 platform and stairway chair lift units that are installed in private residences statewide to receive an initial inspection. Additionally, approximately 550 traditional elevators currently installed in private residences located in counties with a population of less than or equal to 100,000 people will now require inspection. New inspections will also include an estimated 100 agricultural units that are currently exempt.

In year one, all 1,200 units mentioned above would require initial acceptance inspections to be brought into our 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 \$382,800. Revenue for the first year is based upon charging the owners \$200 per unit for the initial acceptance inspection.

Beginning in year two, it is anticipated that the contractual inspection agency would perform all annual inspections at a rate of \$87 per unit for all existing 100 agricultural units. This rate will only cover new or transferred units that meet the criteria in paragraph one. It is also anticipated that 110 new units in private residences will be added each year while 110 additional units will be transferred. New inspections will continue to be charged at the \$319 rate while inspections of transferred units will cost \$87. The total cost of all 320 inspections will generate \$53,360 in expense.

Revenue in year two is based upon continuing to use the \$200 rate for new inspections and the current \$120 annual inspection rate for the agricultural and transferred units. Total year two revenue will be \$47,200.

This fiscal reflects LB 363 as introduced, Business and Labor AM342 is pending.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u> <u>EXPENDITURES</u>	<u>2019-20</u> <u>EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
Benefits.....				
Operating.....			382,800	53,360
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			382,800	53,360