

PREPARED BY: Doug Gibbs
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 PHONE: 471-0051

LB 593

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	(\$8,000)	(\$36,036)	(\$8,000)	(\$36,036)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$8,000)	(\$36,036)	(\$8,000)	(\$36,036)

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 593 amends the Boiler Inspection Act to change inspection requirements for privately owned boilers in Nebraska.

According to the Department of Labor, at the current time most boilers in Nebraska are inspected by authorized inspectors employed by major insurance companies who insure those boilers. Owners of boilers who are not insured and inspected by those insurance company inspectors have their boilers inspected by Department of Labor boiler inspectors.

Under the provisions of LB 593, privately owned boilers would be required to be inspected by a special inspector, not a state boiler inspector. A "special inspector" is an inspector in the employ of an insurance company authorized to insure boilers in Nebraska against loss from explosion or in the employ of an authorized inspection agency and shall have passed the prescribed examination and been commissioned by the Labor Commissioner.

Boilers are to be inspected at least annually and boilers owned by the State of Nebraska and its political subdivisions may be inspected by the state boiler inspector in lieu of inspection by a special inspector.

The Commissioner may waive the inspection requirement for antique engines with a boiler if a nonprofit association of owners of such engines certifies that the association contracts with an authorized inspection agency to inspect boilers owned by its members, the boiler has been inspected and certified as safe, a copy of the inspection report is filed with the Commissioner; and the owner pays the certificate of inspection fee.

Inspections by a special inspector shall not be required of a boiler if an annual inspection is made under city ordinance, a certificate of inspection is filed with the Commissioner, the inspector for the city is properly credentialed, and payment is made of the certificate of inspection fee.

The bill requires that not less than 30 days before a boiler required to be inspected under the Act is to be installed a permit to install shall be obtained from the Commissioner.

Potable hot water heaters, pool heaters, and spa heaters installed in single-family residences and apartment houses with four or less units are exempt from the Act.

The Department of Labor estimates that LB 593 will reduce revenue by reducing the number of inspections conducted and the fees collected by the Department by \$36,036 for both fiscal years. The bill will also reduce expenditures by \$8,000 for both fiscal years because of a reduction in travel expenses.

There is no basis to disagree with the Department's estimate of fiscal impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	2/16/11	PHONE	471-2526
COMMENTS					
NEBRASKA DEPARTMENT OF LABOR: Agency's estimate of impact appears to be reasonable.					

