

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7194

BILL NUMBER: SB 488

DATE PREPARED: Feb 22, 2002

BILL AMENDED: Feb 21, 2002

SUBJECT: Regulated Lifting Devices.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill provides for the licensure of occupations related to elevators and requires the Fire Prevention and Building Safety Commission to adopt rules for the issuance of elevator contractor, elevator inspector, and elevator mechanic licenses. The bill also adds a member to the Fire Prevention and Building Safety Commission from the masonry construction industry and allows the Fire Prevention and Building Safety Commission to adopt rules to establish fees for the issuance of various permits and licenses relating to regulated lifting devices and regulated boiler and pressure vessels.

The bill also repeals statutes that set the fees relating to: (1) permitting and inspection of regulated lifting devices; (2) permitting of an owner or user for inspections of regulated boilers and pressure vessels; (3) inspection of a regulated boiler or pressure vessel for the issuance of a permit; (4) manufacturers using the inspection services of the Office of the State Building Commissioner; (5) a regulated boiler and pressure vessel inspector license; and (6) an owner or user boiler and pressure vessel inspection agency license. The bill requires registration and inspection of regulated lifting devices, with certain exceptions and makes conforming amendments.

Effective Date: (Amended) July 1, 2002; April 1, 2003.

Explanation of State Expenditures: (Revised) Presently, there is no state program to license elevator inspectors, contractors, or mechanics. Under the bill, the Fire Prevention and Building Safety Commission and the Department of Fire and Building Services (the Department) would establish a program to license elevator contractors, elevator mechanics, and elevator inspectors. The Fire Prevention and Building Safety Commission would establish the program, the Department would issue the licenses, and a person receiving a license would be subject to the supervision and control of the Department.

There are data available to indicate that there are 500 to 1,000 people who would potentially become licensed as elevator contractors, inspectors, and mechanics under the bill. The Department estimates that costs to

develop a licensing program would be \$100,000 for the additional staff required. The additional staff would include a secretary, data processing clerk, and hearing and application clerk. The Department also estimates that Fire Prevention and Building Safety Commission expenditures would not increase to implement a licensing program. Another cost that may be incurred to develop a licensure program is the implementation and maintenance of database programs to fulfill the Department requirements. For example, under the bill, the Department will receive licensee address information, continuing education completion records, and track licensees on probation, among other responsibilities. However, no estimate can be made of these costs, because the number of potential licensees is smaller than other agencies similarly licensing professionals and the details of the program to enforce license requirements is indeterminate. Under current statute and the provisions of the bill, the Commission would have to establish license fees that at least cover the direct and indirect costs of the Commission.

Also, the bill would add a member representing the masonry construction industry to the Fire Prevention and Building Safety Commission. The Department estimates the cost of an additional Commission member to be \$22,000 annually, including salary per diem reimbursement, travel, and mailing costs. The Fire Prevention and Building Safety Fund funds the expenditures of the Fire Prevention and Building Safety Commission.

Background - Currently, elevator inspection is carried out by the Department's Elevator Safety Division. According to the state website, the Elevator Safety Division employs 20 nationally certified inspectors to inspect regulated elevators, escalators, and amusement rides. The salaries for the Elevator and Amusement Safety Division, including support positions, are \$621,459 annually and are funded through the Fire Prevention and Building Safety Fund.

Explanation of State Revenues: (Revised) Certain devices would be added to the existing list of regulated lifting devices, including dumbwaiters and people movers. There also would be exclusions from the definition of regulated lifting devices, including power platforms for exterior or interior maintenance and the equipment used to install an elevator. There are no data available to indicate the fiscal impact on revenues of these changes. According to the Elevator Safety Division, there are 16,729 elevators currently inspected.

Additionally, under current law, the fees for regulation of lifting devices and boiler and pressure vessels are set in statute, and the license fee for regulated boiler and pressure vessel inspectors is set by the Boiler and Pressure Vessel Rules Board. Also currently in statute, if approved by the Fire Prevention and Building Safety Commission, local units of government are permitted to regulate lifting devices and charge a permitting fee less than that set in statute. The bill would allow the Fire Prevention and Building Safety Commission to establish fees for the regulation of lifting devices and regulated boiler and pressure vessels. The regulating function of local units of government would be unaffected, except that the fee would have to be less than that set by the Fire Prevention and Building Safety Commission.

The bill would have indeterminate fiscal impact on the Fire and Building Services Fund, which receives revenues from the regulation of lifting devices and boiler and pressure vessels fees. The Fire and Building Services Fund was established to defray the personal service, other operating, and capital expenses of the Fire and Building Services Department, the Board of Firefighting Personnel Standards and Education, the Boiler and Pressure Vessel Rules Board, and the Fire Prevention and Building Safety Commission. The statute requires that the Commission set fees to pay all of the costs, direct and indirect, that are payable from the fund into which the fees must be deposited, and augmentation is allowed in the biennial appropriation. Assuming that the fees set in statute already cover all costs, then the fiscal impact would depend on the fees set by the Commission. The five-year revenue history for these fees are shown in the table below:

Table 1					
REVENUES					
Source	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Boiler and Pressure Vessel Board	\$423,886	420,638	419,188	357,498	372,292
Regulated Lifting Devices and Regulated Amusement Device Permits	\$1,109,884	737,590	713,519	723,314	785,962

Explanation of Local Expenditures:

Explanation of Local Revenues: There is an indeterminate fiscal impact on local units of government. Under current law, a county, city, or town may regulate regulated lifting devices if the unit's regulatory program is approved by the Fire Prevention and Building Safety Commission and the regulated lifting device is inspected by inspectors who possess the qualifications necessary to be employed by the Office of the State Building Commissioner as a regulated lifting device inspector. The local unit may set fees less than those set in the Indiana Code. There would be no change to this statute, however, inspectors would be licensed by the Fire Prevention and Building Safety Commission under the bill. Since the fees charged by local governments would be capped by the fees set by the Fire Prevention and Building Safety Commission, the fiscal impact is indeterminate.

State Agencies Affected: Fire Prevention and Building Safety Commission, Fire and Building Services Department.

Local Agencies Affected:

Information Sources: *Indiana Handbook of Taxes, Revenues, and Appropriations, Fiscal Year 2000*; State of Indiana *HRM Detail Staffing Report*, December 3, 2001; Medana Davis, Staff Counsel, Professional Licensing Agency; Brad Gavin, Agency Counsel, Department of Fire and Building Service.