

# FISCAL NOTE

**Bill #:** HB0437

**Title:** Require inspections of elevators and other devices for building code compliance

**Primary**

**Sponsor:** Hal Jacobson

**Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<b>Expenditures:</b>		
State Special Revenue	\$70,389	\$52,889
<b>Revenue:</b>		
State Special Revenue	\$70,389	\$52,889
<b>Net Impact on General Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

## Fiscal Analysis

### ASSUMPTIONS:

#### **Department of Commerce**

1. HB 437 implements the recommendations of the Building Codes Exemptions Task Force, as found in the report entitled "Determinations & Recommendations" dated April 2000. HB 437 has an effective date of "upon passage and approval". The addition of freight elevators and other currently exempted units to the

elevator inspection program would be implemented unit by unit as the units are discovered. State elevator inspectors would pursue the addition of currently exempted units to the elevator inspection program during the performance of their inspection of currently covered passenger elevators and as the location of currently exempted units are reported to the Building Codes Division by various parties.

2. The Building Codes Division of the Department of Commerce currently inspects all passenger elevators, escalators, moving walks, wheelchair lifts, and stairway chair lifts in buildings that serve the public. HB 437 adds dumbwaiters, freight handling units, and passenger elevators not located in public places to the list of units subject to inspection. Inspections are required whenever units are operated by an employee or a member of the public.
3. The department estimates that 1,000 additional units would be added to the current workload, which must be inspected annually. The additional inspections increase the current workload by more than 80%.
4. An additional 1.00 FTE (grade 14) elevator inspector will be required to complete the anticipated increase in annual elevator inspections. An additional 0.50 FTE (grade 9) administrative support position is required to complete the increased clerical work. The estimated personal service costs for the 1.50 FTE is \$43,421 in FY 2002 and \$43,421 in FY 2003. The department does not know exactly how many freight elevators exist in Montana. In the event the estimate is too low, an additional elevator inspector would be required for every additional 1,000 units added to the workload.
5. Additional operating expenses of \$9,468 would be incurred in both FY 2002 and FY 2003. One additional vehicle will be required in FY 2002 for the new elevator inspector at an estimated cost of \$17,500.
6. Sufficient revenue would be generated from the additional units to offset the estimated expenditures.

FISCAL IMPACT:

	FY2002 <u>Difference</u>	FY2003 <u>Difference</u>
FTE	1.50	1.50

Expenditures:

Personal Services	43,421	43,421
Operating Expenses	9,468	9,468
Equipment	<u>17,500</u>	<u>0</u>
TOTAL	\$70,389	\$52,889

Funding:

State Special Revenue (02)	\$70,389	\$52,889
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Revenues:

State Special Revenue (02)	\$70,389	\$52,889
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Net Impact to Fund Balance (Revenue minus Expenditure):

State Special Revenue (02)	\$0	\$0
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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Any local governments that have freight elevators would be required to pay the annual inspection fees and any costs associated with upgrading non-complying units.

LONG-RANGE IMPACTS:

The elevator code (ASME A17.1) establishes different requirements for passenger and freight elevators. Existing freight units may be required to upgrade in order to be certified to operate. Freight elevator related injuries and deaths may be reduced as a result of upgrading of non-complying freight elevators.

TECHNICAL NOTES:

1. Implementation of HB 437 and the addition of freight elevators and other currently exempted units to the elevator inspection system will be as these units are discovered. The Building Codes Division does not presently have the manpower nor the funding to specifically pursue currently exempted units on a fulltime basis.
2. An effective date of July 1, 2001, would allow the Building Codes Division time to staff up to handle the additional workload.