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DATE PREPARED: February 25, 2011  
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**LB 594**

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				See Below
CASH FUNDS	(\$44,772)	(\$42,980)	(\$43,454)	(\$42,980)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$44,772)	(\$42,980)	(\$43,454)	See Below

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

LB 594 amends several sections of the Nebraska Amusement Ride Act with an operative date of January 1, 2012 and then repeals the entire Act on January 1, 2013.

The initial changes to the Amusement Ride Act include changes to the definition of a qualified inspector; that the Labor Commissioner shall adopt rules and regulations regarding the annual certification of qualified inspectors of amusement rides; inspectors are to be certified annually; and that the Labor Commissioner may establish a schedule of fees for the annual certification of qualified inspectors of amusement rides.

LB 594 also amends a number of sections of the Conveyance Act with an operative date of July 1, 2011 and then repeals the entire Act on January 1, 2013.

The changes to the Conveyance Act include a new definition of qualified elevator inspector; new language regarding the rule and regulation authority of the Labor Commissioner; exemption of conveyances in private residences from the requirements of the Act; requirement for a permit to install; strikes language regarding installation by a licensed elevator contractor; provides that the Labor Commissioner may contract with qualified elevator inspectors to perform inspections under the Act; specifies the qualifications for inspectors; places the responsibility to have an inspection on the owner of the conveyance; and changes the penalty for a violation of the Act from a Class V to a Class I misdemeanor.

The Department of Labor indicates that the changes to the Nebraska Amusement Ride Act and the Conveyance Act will result in a decrease in revenue of \$42,980 and a reduction in expenditures of \$44,772 for FY2011-12. For FY2012-13 revenue will be reduced \$42,980 and expenditures will be reduced \$43,454. The reduction in expenditures comes from the elimination of 0.75 FTE.

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

Effective January 1, 2013 LB 594 eliminates the Mechanical Safety Inspection Fund. All funds in the Mechanical Safety Fund as of that date are transferred to the General Fund. On December 31, 2010 the balance in the Fund was \$96,159. Based on projected expenditures and revenue for the next 22 months, between \$190,000 and \$220,000 could be transferred to the General Fund on January 1, 2013.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	2/22/11	PHONE 471-2526
COMMENTS			
DEPT. OF LABOR – Agency's estimate of impact appears to be reasonable.			

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**FISCAL NOTE**                      **LB594**      FEB 22 2011  
**Nebraska Department of Labor**

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Date Prepared	2/18/2011
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**Estimate Provided By State Agency or Political Subdivision**

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds	-44772	-42980	-43454	-42980
Federal Funds				
Other Funds				
<b>Total Funds</b>	<b>-44772</b>	<b>-42980</b>	<b>-43454</b>	<b>-42980</b>

**Explanation of Estimate:**

LB 594 changes the requirements of the Nebraska Amusement Ride Act. Effective January 1, 2012, amusement rides will be required to be inspected, but inspections shall be performed by qualified inspectors as defined in section 4 of the bill. The current fees for inspecting amusement rides is \$130 and the permit fee is \$50. The change in the inspection requirement will result in a decrease in revenue of \$42,380 (326 rides inspected last year times \$130 = \$42,380). This will be offset by a decrease in expenditures. The permit fee, which is currently \$50.00, will continue to be collected.

LB 594 changes the Conveyance Safety Act to exempt conveyances in all private residences. The current Conveyance Safety Act requires an inspection on conveyances in private residences located in counties with a population of one hundred thousand or less inhabitants, only at the time of installation. This change will have decrease revenues by \$600. This past year there were six conveyances installed in private residences in counties with a population of more than one hundred thousand inhabitants.

This bill also allows the commissioner to contract with a qualified inspector or a company employing qualified elevator inspectors to perform any inspection authorized under the Conveyance Safety Act.

LB 594 allows for all conveyances to be inspected by a qualified elevator inspector as defined in section 7 of the bill.

**Major Objects of Expenditure**

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
Elev/Amusement Ride Insp	.75	.75	-26963	-27503
		Benefits	-9437	-9626
		Operating	-8372	-6326
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		<b>Total</b>	<b>-44772</b>	<b>-43454</b>