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PREPARED BY:  
DATE PREPARED:  
PHONE:

Doug Gibbs  
February 24, 2011  
471-0051

**LB 517**

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	\$191,613		\$191,613	
CASH FUNDS	(\$191,613)	(\$191,613)	(\$191,613)	(\$191,613)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	(\$191,613)	\$0	(\$191,613)

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

LB 517 creates the Elevator Inspection Act and repeals the Conveyance Safety Act in its entirety.

The bill provides a definition of "elevator"; that the Commissioner of Labor shall appoint a state elevator inspector subject to the approval of the Governor, who will work under the direct supervision of the Commissioner; that all passenger and freight elevators shall be inspected at least annually; that deputy inspectors may be hired; that the state elevator inspector may enter buildings or structures for the purpose of inspecting elevators covered by the act; and provides for fees.

The Act shall not apply to elevators under the jurisdiction of the U.S. government, elevators used exclusively for agricultural purposes, or elevators in private residences.

Section 10 of the bill provides that inspections required by the Act will not be made if the elevator has been inspected by the representative of a reputable insurance company licensed to do business in Nebraska, obtains a policy of insurance from such company, and files a certificate of inspection with the Commission. In addition, no inspection is required if there has been an annual inspection under city ordinances.

The bill authorizes an annual inspection fee of not more than \$75 per unit up to five floors with an additional \$5 per floor for each floor over five. The bill also authorizes a preliminary inspection fee of \$75 and \$75 for initial inspection for new installations. Special inspections are also authorized and the fee shall not be more than \$75 per unit.

For escalators, moving sidewalks, conveyors, and dumbwaiters, the preliminary inspection fee shall not be more than \$50, the initial inspection fee is \$50, and the annual inspection fee is \$50 per unit up to five floors with an additional charge of \$5 per floor over five.

All fees are to be remitted for credit to the Mechanical Safety Inspection Fund.

The bill also provides that any person who violates the Act shall be guilty of a Class V misdemeanor.

The Commissioner of Labor is required to adopt and promulgate rules and regulations for safety requirements for elevators in the state.

It appears that the main difference between LB 517 and the Act it repeals, the Conveyance Safety Act, is an elimination of requirements, licensure, and training as regards elevator mechanics. The elevator inspection requirements appear to be much the same.

The Department of Labor indicates that what LB 517 basically does is revert the elevator inspection to what it was prior to the implementation of the Conveyance Safety Act. The Department believes the fees set forth in LB 517 are not adequate to fund the inspection program and would result in a shortfall of \$191,613 compared to current levels. In order to meet the inspection level required in the Act and absent any other revenue source, a General Fund appropriation of \$191,613 would be necessary.

It appears there would be no significant change in expenditure levels from one Act to the other, but LB 517 specifies a fee level that is 25 percent lower than the current fee structure, therefore; the Department's estimate appears reasonable and we have no basis to disagree.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	2/22/11	PHONE	471-2526
<p>COMMENTS</p> <p>NEBRASKA DEPARTMENT OF LABOR: No basis to disagree with agency's estimate of impact. Estimate does appear to be reasonable.</p>					

FEB 22 2011

**FISCAL NOTE LB517**  
**Nebraska Department of Labor**

LEGISLATIVE FISCAL

Prepared By	Ward, Debbie Kay
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		191613		191613
Cash Funds		-191613		-191613
Federal Funds				
Other Funds				
Total Funds		0		0

**Explanation of Estimate:**

LB 517 repeals the Conveyance Safety Act and adopts the Elevator Inspection Act. This bill basically reverts the program to what it was prior to the implementation of the Conveyance Safety Act. LB 517 sets statutory inspection fees of \$75.00 for everything except escalators, moving sidewalks, conveyors, and dumbwaiters which have fees of \$50.00. The statutory established fees in LB 517 are insufficient to sustain the inspection program as specified in LB 517 so general funds are required.

**Major Objects of Expenditure**

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures