

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-1067 **Date:** April 15, 2015
Prime Sponsor(s): Rep. Garnett **Bill Status:** House Business, Affairs and Labor
 Sen. Martinez Humenik **Fiscal Analyst:** Erin Reynolds (303-866-4146)

BILL TOPIC: CONTINUE REGULATION ELEVATOR CONVEYANCES

Fiscal Impact Summary*	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19 Continuation
This bill continues a program that would otherwise end July 1, 2017, so the fiscal note shows the continuing fiscal impacts.				
State Revenue				\$495,000
Cash Funds				495,000
State Expenditures				\$567,336
Cash Funds				567,336
FTE Position Change				8.3 FTE
Appropriation Required: None.				

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

The bill extends the Elevator and Escalator Certification Act, which regulates conveyances and conveyance mechanics, contractors, and inspectors, to July 1, 2022. The regulation is set to expire on July 1, 2017.

Background

In 2007, the legislature passed Senate Bill 07-123, the Elevator and Escalator Certification Act, which required all mechanical conveyances to be registered and all mechanics, inspectors, and contractors who service mechanical conveyances to be licensed with the Division of Oil and Public Safety (DOPS) in the Department of Labor and Employment (DLE). The act permits a local jurisdiction to regulate conveyances if the local jurisdiction has standards that meet or exceed the standards established in law.

Fiscal Impact of Programs Set to Expire

The bill continues the Elevator and Escalator Certification Act for five years, from FY 2018-19 through FY 2022-23, in the DOPS in DLE, which is set to repeal effective July 1, 2017. Under current law, state agencies may be appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date. To account for the wind-up period, the impact of extending the program beyond the current repeal date is shown as beginning in FY 2018-19, one year after the repeal date.

The conveyance program currently has an operating budget of \$567,336, which includes 8.3 FTE at a cost of \$467,894, and \$99,442 in operating costs. The estimated program revenue for FY 2014-15 is \$495,000. Table 1 below shows the fees that the DLE and that Authorities Having Jurisdiction (AHJs) may assess under current rule. Registration and licensing fees are credited to the Conveyance Safety Fund in DLE. For those AHJs (i.e. fire departments, districts, or authorities) that enforce the law, certificate of operation and permitting fees are credited to directly to the AHJ.

Table 1. Registration, Permitting, and Licensing Fees Under the Elevator and Escalator Conveyance Act	
Type of Fee	Fee Amount
Fees credited to DLE	
Registration Fee	\$200 one-time
Contractor License	\$500 annually
Inspector License	\$175 annually
Mechanic License	\$125 annually
Temporary Mechanic Certification	\$25 per month
Fees credited to the AHJ (when applicable)	
Certificate of Operation (annual)	\$30 annually
Installation Permit	\$300 one-time
Alteration Permit	\$150 one-time

In addition, the continuation of the program is anticipated to continue fine revenue, less than \$5,000 per year, credited to the Fines Collection Cash Fund in the Judicial Department, due to the failure to register existing conveyances qualifying as a class 3 misdemeanor under the act. The penalty for a class 3 misdemeanor is up to 6 months imprisonment in a county jail, a fine of \$50 to \$750, or both.

It should be noted that the program's operating budget and fee revenue collection is subject to change in upcoming years, based on various factors. One key factor that may affect the change is Denver's recent move to an AHJ.

Finally, the bill is expected to delay the need for staff services provided by the Office of Policy, Research, and Regulatory Reform in the Department of Regulatory Agencies for work related to the sunset review, which was billed at \$7,500 in FY 2015-16, and \$2,500 in FY 2016-17, and paid for by the DLE, pursuant to the statutory requirement that programs cover the cost of their sunset reviews. It is assumed that this invoice will be withdrawn and no change in appropriations is required.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Judicial Department
 Local Affairs

Labor and Employment
 Regulatory Agencies

Law