

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number 05-2083/2	Introduction Number AB-447
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Subject
Regulation of elevators and other similar conveyances

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations Increase Existing Revenues
 Decrease Existing Appropriations Decrease Existing Revenues
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget
 Yes No
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs 3. Increase Revenue
 Permissive Mandatory Permissive Mandatory

2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory Permissive Mandatory

5. Types of Local Government Units Affected

Towns Village Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.143 (3) (j)	

Agency/Prepared By COMM/ Debra Bresser (608) 266-8603	Authorized Signature Louie Cornelius (608) 266-8629	Date 6/21/2005
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Fiscal Estimate Narratives
COMM 6/22/2005

LRB Number	05-2083/2	Introduction Number	AB-447	Estimate Type	Original
Subject					
Regulation of elevators and other similar conveyances					

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 447 specifies several requirements regarding elevators.

Under existing law, the requirements relating to elevators are incorporated in Chapter 101, Wisconsin Statutes. Specifically, s. 101.19 (1) (b), Stats., relates to elevator inspections; s. 101.17, Stats., relates to the installation and use of elevators; and s. 101.12, Stats., relates to plan review, prior to construction/installation. There are also several requirements regarding the inspection, maintenance, and inspection of elevators and the the certification of individuals who perform elevator-related work. These requirements are contained in the Department's administrative rules (Comm 18: Elevators, and Comm 5: Licenses, Certifications and Registrations).

Assembly Bill 447 incorporates many requirements that are presently included in current state law and in existing administrative rules. These requirements include elevator plan review and periodic inspection of elevators in commercial buildings, and the certification of elevator inspectors. Assembly Bill 447 also includes several additional requirements.

First, the bill requires the promulgation of a Conveyance Safety Code and the establishment of a Conveyance Safety Council. There is currently an advisory Elevator Code Council and administrative rules relating to elevators (Comm 18). The Department estimates no additional workload from activities relating to these items.

Second, the bill would require plan review, inspection and permitting of elevators in private residences, and would preclude the Department from assessing permitting fees. The Department estimates that there would be 1,500 such elevators installed annually. The Department anticipates that local governments and contracted agents that currently conduct other inspections would conduct the plan review and inspection indicated by this bill. There would be no cost to the Department for this contracting. The Department would be required to conduct inspections upon request per s. 101.983 (2) (c), Stats., and anticipates a workload associated with consultation.

Third, the bill requires the certification of elevator mechanics and contractors, and also requires that elevator mechanics be under the direct supervision of a licensed elevator contractor. The bill also requires that background checks be conducted on each applicant and contains provisions for the issuance of emergency licenses. Commerce estimates that 500 elevator mechanics and 40 elevator contractors will apply for certification.

Although elevator plan review and periodic inspection are currently conducted by the Department, Assembly Bill 447 prohibits local government regulation of the activities enumerated in the bill. Currently, the City of Milwaukee is the only local government unit exercising jurisdiction over elevators. The removal of this authority will result in the Department assuming responsibility for the plan review and initial inspection of approximately 150 elevators annually, as well as the annual inspection and permitting of 6,000 elevators in Milwaukee. The Department would provide initial and periodic inspections through contracting with a third party provider. However, the Department would be responsible for processing and issuing additional permits, as well as the plan review of the elevators formerly regulated by the City of Milwaukee.

The Department estimates that .5 FTE inspection/consultation position would be needed at a cost of \$40,100. The Department additionally estimates .5 FTE Program Assistant 4 position at a cost of \$24,200 would be needed for the workload associated with background checks and certification. The workload associated with permitting requirements can be absorbed within current resources.

The revenue increase resulting from AB447 is estimated at \$283,000 and is comprised of the following:
\$ 30,000: Annual plan review revenue resulting from City of Milwaukee elevators;

\$ \$18,000 for inspections associated with s. 101.983 (2) (c), Stats. (inspections upon request)
\$ 210,000: Annual permit to operate revenue resulting from City of Milwaukee elevators;
\$ 25,000: Annual certification revenue

The bill will impact the City of Milwaukee. Specifically, the costs to conduct elevator regulation activities will be significantly reduced, in addition to the revenue that is generated from elevator regulation activities, which will now be conducted by Commerce.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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 Updated
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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$53,300	
(FTE Position Changes)		(1.0 FTE)	
State Operations - Other Costs		11,000	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$64,300	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS (PRO)		64,300	
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS (PRO)		283,000	
SEG/SEG-S			
TOTAL State Revenues		\$283,000	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$64,300	\$
NET CHANGE IN REVENUE		\$283,000	\$
Agency/Prepared By	Authorized Signature		Date
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