

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 602** SLS 14RS 1461

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 9, 2014	3:05 PM	Author: NEVERS
Dept./Agy.: State Fire Marshall		Analyst: Matthew LaBruyere
Subject: Conveyance Devices Safety Act		

COMMERCIAL REGULATIONS

EG INCREASE GF EX See Note

Page 1 of 2

Provides for the regulation and inspection of elevators and other mechanisms. (8/1/14)

Proposed law creates the Conveyance Devices Safety Act and requires certain elevators and conveyance devices to be registered with the office of the state fire marshal and inspected by licensed elevator inspectors.

Proposed law requires the office of the state fire marshal to promulgate rules providing for the following: 1) Registration by the owner of each conveyance. 2) Registration by an elevator contractor who installs a conveyance device. 3) That the owner of each conveyance device shall cause an annual inspection of the device by a licensed elevator inspector. 4) A process by which licensed elevator inspectors shall report the findings to the fire marshal and to the owner of the conveyance device. 5) Application of standards which are applicable to conveyance devices or elevators to be inspected. 6) Establishing qualifications for the licensing of firms as elevator inspection firms. 7) Establishing qualifications for the licensing of persons as elevator inspectors. Proposed law also creates the Conveyance Devices Safety Fund.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

The proposed legislation will result in an increase in statutory dedicated fund (LA Fire Marshal Fund) expenditures in FY 16 as a result of the State Fire Marshal (SFM) licensing and registering conveyance devices. To the extent the Fire Marshal Fund does not have sufficient resources, SGF may be necessary to supplement these expenses. The creation of registration and inspection of conveyance devices will require the department to add 8 positions as well as update the State Fire Marshal Automated Resources Tracking (SMART) system. As a result of registrations not beginning until April 1, 2015, it is likely the SFM would not incur any costs associated with the bill until FY 16. Any costs in FY 15 associated with this bill could be funded with existing resources. The total cost for FY 16 is approximately \$897,000 and approximately \$667,500 in subsequent fiscal years. Any available funding from the Fire Marshal Fund that is not used to cover current expenses may be used to reduce the amount of SGF resources that may be needed.

Annual Expenditures

The department has indicated that 8 positions (1 coordinator, 1 admin. assistant and 6 SFM deputies) will be needed to handle the scope of the proposed law. The cost of salaries and benefits for the 8 positions is \$614,000 (\$388,000 salaries + \$226,000 related benefits). Operating services including telephones, printing, and postage total \$6,050. Annual travel related to inspections is anticipated to be \$6,000. The costs of office supplies and tools and **(CONTINUED ON PAGE 2)**

REVENUE EXPLANATION

The proposed legislation may result in a decrease in SGF. To the extent the LA Fire Marshal Fund is used to cover the expenses of the proposed legislation, the amount of funding that is reverted to SGF each year will be reduced. The LA Fire Marshal Fund is one of the few statutory dedicated funds whose ending year balance reverts to the SGF.

The proposed legislation would result in an increase in statutory dedicated revenue as a result of creating the Conveyance Devices Safety Fund. All fines and penalties imposed by the department would accrue to the fund. However, it is unknown how many penalties would be issued and how much would be collected. It is also unknown if a fee for the issuance of licenses would be collected and if the fee would accrue to the fund as well. Any monies in the fund would decrease SGF resources used to fund this program.

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|--|----------------------------|-------|--|
| Senate | <u>Dual Referral Rules</u> | House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux

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Staff Director

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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE:

equipment is \$5,050. Automotive supplies (gas) and maintenance will be \$36,360. Total annual expenditures would be \$667,460 (\$614,000 personnel + \$6,000 travel + \$6,050 operating expenses + \$5,050 supplies + \$36,360 automotive).

One Time Expenditures

One-time costs associated with implementing the proposed law would be \$100,500 (670 hrs x \$150/hr) in professional services regarding the development of the computer system by a vendor. Office furniture (\$9,200), uniforms (\$5,400), computers and printers (\$18,400) and vehicles at \$16,000 each for 6 SFM deputies (\$96,000) total \$129,000. It is possible that not all acquisitions may be needed if surplus items are available. Total one-time costs would be \$229,500 (\$100,500 IT + \$129,000 acquisitions).

The Department of Public Safety indicates the proposed law may require approximately 500 hours of overtime for the Information Services Section at an average cost of \$32 per hour (\$32 x 500 = \$16,000) plus associated Medicare expenses (\$16,000 x 1.45% = \$232), or a total of \$16,232 in personal services. The legislation will require modifications to database tables, applications screens, and certain coding changes. The Legislative Fiscal Office believes that any additional IT work associated with this legislation will be incremental in nature, and that the Department can potentially accomplish these tasks utilizing existing resources and budget authority. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, the Department may require additional resources.

Senate Dual Referral Rules House 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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