



OHIO LEGISLATIVE SERVICE COMMISSION

Shannon Pleiman

Fiscal Note & Local Impact Statement

Bill: H.B. 236 of the 132nd G.A.

Status: As Introduced

Sponsor: Reps. Patton and Cupp

Local Impact Statement Procedure Required: No

Subject: Repeals the current Elevator Law and replaces it with the Model Elevator Law

State & Local Fiscal Highlights

- The bill will increase costs paid from the Industrial Compliance Fund (Fund 5560) used by the Division of Industrial Compliance in the Department of Commerce to pay for regulating various trades. The new costs would be for (1) licensing conveyance mechanics, contractors, and inspectors, and (2) employing new investigative inspectors. License fees are to be set by the newly created Elevator Safety Review Board. Licenses would be renewed biennially.
- It is estimated that there would be approximately 1,000 individuals and entities subject to licensure under the bill. Overall, the Department of Commerce believes that it may need to hire three or four more investigative inspectors under the bill. If so, pay and fringe benefit costs would be between \$64,844 and \$94,915 per investigator.
- The bill increases the maximum potential fine for violations of the Model Elevator Law, from \$200 on the first offense and \$1,000 on subsequent offenses to \$1,500, and adds a potential jail sentence of up to 30 days, or both. Fines are deposited into Fund 5560. Adding a potential jail sentence may minimally increase local court costs.

Detailed Fiscal Analysis

Overview

The Board of Building Standards (BBS) under the Division of Industrial Compliance within the Department of Commerce (COM) will incur additional costs to implement the new Model Elevator Law created by the bill. Specifically, the bill establishes a new review board within BBS to oversee the bill's provision and requires it to license individuals employed as conveyance mechanics and contractors. The increased costs will likely be paid from the Industrial Compliance Fund (Fund 5560), which funds other sections housed under the Division. Any costs will likely be offset from license, permit, certificate, and inspection fees to be established by the new review board. According to COM, there are around 33,000 elevators, escalators, and commercially installed accessibility units in the state. The Department estimates that

approximately 1,000 individuals and entities would be subject to licensing under the bill.

Elevator Safety Review Board

The bill creates the Elevator Safety Review Board (ESRB) within BBS for the purposes of overseeing what is referred to as conveyance services. Under current law, regulation of elevators is overseen by BBS, which is in charge of adopting rules and standards pertaining to the safe and proper installation, service, and repair of elevators. ESRB must establish rules regulating conveyances that incorporate (1) the elevators and escalators safety code, (2) the existing elevators and escalators safety codes, (3) the platform lifts and stairway chairlifts safety standards, (4) the standards for the qualification of elevator inspectors, and (5) the automated people mover standards. Additionally, ESRB may adopt rules regarding fee schedules for licenses, permits, certificates, and inspections. ESRB would consist of nine members serving without a salary, although they would be reimbursed for all expenses necessary in the performance of their duties. Consequently, there will be some small increase in costs to reimburse members, with the costs being paid from Fund 5560.

Enforcement program

The bill also requires ESRB to develop an enforcement program that will ensure compliance with the requirements established under the bill. The program would involve (1) the identification of property locations that are subject to the regulations, (2) issuing notifications to violating property owners or lessees, (3) conducting random, onsite inspections and tests on existing installations, (4) witnessing periodic inspections and testing to ensure satisfactory performance by licensees, and (5) assisting in development of public awareness programs. Currently, the Division has no staff dedicated to the investigation of unreported conveyances. As a result, COM anticipates that it will have to hire three to four investigative inspectors. The Division currently employees 63 conveyance inspectors paid between \$48,755 and \$71,365. Depending on whether the Division hired three or four new inspectors, this could increase annual payroll costs, including fringe benefits (33% of pay) between \$64,844 and \$94,915 per person. These costs would be paid from Fund 5560.

Licensing conveyance mechanics and contractors

The bill establishes three license types: (1) a biennial and temporary mechanic's license for the individuals working on conveyances, (2) a biennial contractor's license for the companies providing conveyance services, and (3) a biennial inspector's license for the individuals inspecting the conveyances. Under current law, individuals are prohibited from conducting elevator inspections unless they are certified by the Division. Currently, there are 66 general inspectors and 12 active special inspectors that are issued a certificate of competency. COM estimates that they will have to license 1,000 individuals and entities as conveyance mechanics and contractors. Any costs would presumably be partially offset by licensing fees and fines.

Penalty

Additionally, the bill prohibits a person from providing conveyance services or conducting an inspection of a conveyance within buildings or structures, unless that person holds the appropriate license. A violation of these prohibitions results in a fine of not more than \$1,500, a jail term of up to 30 days, or both. Under current law, a violation is not more than \$200 on the first offense and not more than \$1,000 on subsequent offenses. Fines are deposited into Fund 5560.

Start work permits and certificates of operation

The bill requires an elevator contractor to obtain a permit issued by ESRB in relation to the construction or alteration of any conveyance within buildings or structures before starting the work. The bill requires ESRB to set the start work permit fee in rule. Currently, the permit fee for a new installation is \$183.25 and an alteration is \$103.25. Additionally, the bill requires that before any conveyance is used, the owner or lessee of the conveyance must obtain a certificate of operation from ESRB. The fee for the certificate operation is also to be set forth in rule. Currently, the elevator certificate of operation is \$55 plus \$10 per floor annually and the escalator certificate of operation fee is \$300 annually. Both of these fees are deposited into Fund 5560.