

February 18, 2021

The Honorable Larry Alley, Chairperson  
Senate Committee on Federal and State Affairs  
Statehouse, Room 136-E  
Topeka, Kansas 66612

Dear Senator Alley:

**SUBJECT:** Fiscal Note for SB 181 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 181 is respectfully submitted to your committee.

SB 181 would create the Elevator Safety Act, which would regulate the design, construction, installation, operation, inspection, testing, maintenance, alteration, and repair of elevators. The bill would create the Elevator Safety Advisory Board, which would consist of the following members appointed by the Governor: (1) a representative from a major elevator manufacturing company, (2) a representative from an elevator servicing company, (3) a representative of the architectural design or elevator consulting profession, (4) a representative of a city or county, (5) a representative of a building owner or building manager, (6) a representative of labor involved in the installation, maintenance, and repair of elevators, and (7) a representative from the general public. The Board would also consist of one member appointed by the President of the Senate and one member appointed by the Speaker of the House of Representatives. Ex officio members would include the State Fire Marshal or their designee and the Secretary of Administration or their designee. The Board would be required to meet at least once a year and members would serve terms of three years. The Board would advise the State Fire Marshal and make recommendations regarding rules and regulations to enforce the provisions of the bill.

The bill would require any entity wishing to engage in the business of installing, altering, servicing, replacing, or maintaining elevators to apply for a contractor, inspector, or mechanic license from the State Fire Marshal to perform work. The bill would require applicants to submit certain information to the State Fire Marshal and would create a process by which the State Fire Marshal would issue and revoke licenses and collect application fees. The bill would also require a permit to be issued by the State Fire Marshal prior to the construction of an elevator and would require the owner of an elevator to have it inspected annually by a licensed inspector. Elevators

installed prior to July 1, 2021 would be required to receive a certificate of operation from the State Fire Marshal and would have to apply for the certificate before July 1, 2022. The State Fire Marshal would be required to establish a registry of elevators that are in operation. The bill would outline a process by which the State Fire Marshal could take actions to address violations of the bill and would establish the Elevator Safety Fee Fund to which it would remit all fees, charges or penalties assessed under the provisions of the bill.

Estimated State Fiscal Effect				
	FY 2021 SGF	FY 2021 All Funds	FY 2022 SGF	FY 2022 All Funds
Revenue	--	--	--	\$350,675
Expenditure	--	--	\$117,205	\$232,520
FTE Pos.	--	--	--	3.00

The Office of the State Fire Marshal indicates that enactment of the bill would increase expenditures by \$230,630 in FY 2022 for 1.00 Program Administrator FTE position and 2.00 Administrative Assistant FTE positions. Of this amount, \$89,572 would be for salaries and wages and \$141,058 would be for equipment, supplies, training, and other startup costs. The Office also indicates the bill would allow for license fees of approximately \$13,175 to be collected from contractors, inspectors, and mechanics; construction fees of approximately \$11,250; and certification fees of \$326,250 in FY 2022. This would generate annual revenue totaling \$350,675 to the Elevator Safety Fee Fund. However, the Office states that it would not have sufficient resources in its existing fee funds or the newly creator Elevator Safety Fee Fund to cover the expenditures associated with the bill in the first year. Therefore, the Office indicates it would require an appropriation from the State General Fund or would have to reduce expenditures elsewhere in its budget to fund the first year of expenditures. After the first six months of FY 2022, the Office states the Elevator Safety Fee Fund would have sufficient funding to sustain operations.

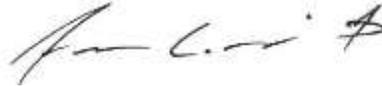
Legislative Administrative Services indicates that, under current law, it is required to reimburse individuals who are not state employees for lodging, mileage, and tolls if they serve as a member of a board. Assuming that nine board members would be non-state employees, enactment of SB 181 could increase expenditures to Legislative Administrative Services by \$1,890 from the State General Fund beginning in FY 2022 for lodging, mileage, and tolls. This estimate assumes one meeting and lodging for six of the nine non-state employee board members as well as mileage and tolls for all nine non-state employee board members in FY 2022.

The Department of Administration indicates that enactment of the bill would have no fiscal effect on the agency. Any fiscal effect associated with SB 181 is not reflected in *The FY 2022 Governor's Budget Report*.

The Kansas Association of Counties indicates that enactment of the bill could have a fiscal effect if counties opt to have additional requirements or to employ their own elevator inspectors.

However, a fiscal effect cannot be estimated. The League of Kansas Municipalities indicates that enactment of the bill may increase compliance costs for cities, but a fiscal effect cannot be estimated.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt". The signature is written in a cursive style with a large initial "A" and a stylized "P" at the end.

Adam Proffitt  
Director of the Budget

cc: Jill McCarthy, Office of the Fire Marshal  
Karen Clowers, Legislative Services  
Jeff Scannell, Department of Administration  
Jay Hall, Association of Counties  
Wendi Stark, League of Municipalities