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FISCAL IMPACT REPORT

ORIGINAL DATE 02/07/14

SPONSOR Griego LAST UPDATED _____ HB _____

SHORT TITLE Elevator Permitting Standards SB 185

ANALYST Martinez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY14	FY15	FY16		
TBD	TBD	TBD	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Narrative				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Regulation and Licensing Department

SUMMARY

Synopsis of Bill

Senate Bill 185 would create a new section in the NMSA 1978 that would require all existing elevators and all newly installed elevators be registered/permited through the Construction Industries Division (CID) within the Regulation and Licensing Department. Each unit must comply with the American Society of Civil Engineers Safety Codes for elevators and escalators in the State of New Mexico.

SB 185 defines Elevator as:

- Any hoisting and lowering mechanism that is equipped with a car or platform and that moves between two or more landings;
- Includes escalators;
- Moving sidewalks;
- Platform lifts or stairway chair lifts for carrying persons between landings; and
- A hoisting and lowering mechanism that is equipped with a car, that serves two or more landings and that is restricted to carrying materials by its limited size and limited access

After July 01, 2014, all elevators shall be registered at the time that they are completed and placed in service. By January 01, 2015, all elevators owned or leased within the state shall be registered with the Director of CID.

Mirroring the states construction codes, the constructing of an elevator cannot begin before a permit has been obtained from the CID director. The permit, along with the elevator schematics shall be kept at the construction site at all times while work is in progress. Any person who violates any provisions SB 185 can be fined in an amount not to exceed one thousand five hundred dollars or imprisoned for no more than thirty days, or both.

FISCAL IMPLICATIONS

The appropriation of \$250 thousand dollars contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY15 shall revert to the General Fund.

The board estimates additional costs of \$50.7 will be needed to carry out the provisions of SB 185. LFC analysis finds that the FY15 HAFC version of HB 2 appropriation to the Construction Industries and Manufactured Housing program adequately funds this additional cost within the operating budget.

SIGNIFICANT ISSUES

The RLD writes:

The following or similar standards would have to be adopted:

- American Society of Mechanical Engineers Safety Code of Elevators and Escalators (ASME A17.1, 2004 Edition with 2005 Addendum and 2005 Supplement with Amendments.)
- American National Safety Code for Personnel Hoist (ANSI A10.4, 2004 Edition)
- American National Standard Safety Code for Manlifts (ANSI A90.1, 2003 Edition)
- Safety Standard for Platform Lifts and Stairway Chair Lifts (A18.1, 2005 Edition)
- Inspectors Manual for Elevators and Escalators (ASME A17.2, 2004 Edition)

Currently elevators, escalators, moving walkways, garage lifts, residential lifts, handicap lifts, chair lifts, and sidewalk lifts are insured and required under general liability requirements for each building or residence containing an elevator to be inspected and contain a certificate of operation.

The bill would create a parallel, duplicate licensing process for elevator contractors. This is contrary to the Construction Industries Licensing Act (CILA) which provides that it was the intent of the legislature to eliminate dual licensing and non-uniform classification and examination of closely related trades or occupational activities. The licensing of elevator contractors should be addressed in the existing CID licensing classification scheme and licensing processes. A parallel law requiring a separate process for licensing is duplicative, expensive and unnecessary.

The City of Albuquerque currently has an elevator inspection program. It is estimated that over 80 percent of the elevators in the state are within the Albuquerque city limits. This bill would apparently require the city to cease this operation and the State (CID) to assume it. This apparently implicates jurisdictional issues that should be addressed before the bill moves forward.

PERFORMANCE IMPLICATIONS

CID notes they currently have no expertise with respect to elevator operations. The requirements for installation of elevators that are covered by the building, electrical and mechanical codes are already permitted and inspected. This bill would increase CID's authority beyond construction into operational and maintenance aspects.

As drafted, SB 185 does not make any distinction between federal and tribal jurisdiction, over which the State of New Mexico could not assert legal authority for the permitting of escalators or elevators or imposition of standards for operation or maintenance of escalators or elevators.

RM/jl:ds