2009 Regular Legislative Session FISCAL ANALYSIS OF PROPOSED LEGISLATION Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2200 STATUS: Original

SUBJECT: Establishes or modifies fees for elevator safety and boiler and pressure vessel safety.

GOVERNMENT UNIT AFFECTED: Department of Consumer and Business Services

PREPARED BY: Robin LaMonte **REVIEWED BY:** John Borden

DATE: February 5, 2009

	2009-2011	2011-2013
REVENUES:	·	<u> </u>
Boiler Program Fees – Other Funds	\$ 961,294	\$ 961,294
Elevator Program Fees – Other Funds	\$ 43,700	\$ 43,700
Total Other Funds	\$ 1,004,994	\$ 1,004,994

EFFECTIVE DATE: July 1, 2009

GOVERNOR'S BUDGET: This bill is anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: HB 2200 makes a number of changes to boiler and pressure vessel inspection, reinspection, and permit fees, and also makes a number of changes to align the fee process between the elevator and boiler programs. This will provide building owners with a more consistent process for determining elevator and boiler fees. The cumulative effect of these changes is an increase of \$1,004,994 in Other Funds revenue to support the operation of these programs.

Boiler and pressure vessel inspection and elevator inspection programs in the Department of Consumer and Business Services (DCBS) are supported by the fees that are charged for permits, inspections and reporting. The boiler and pressure vessel program is facing a shortfall in the revenue necessary to maintain operations, which, if not addressed, will result in a growth in backlog of overdue inspections. These revenue increases are assumed in the Governor's budget for DCBS.

DCBS notes that the boiler program inspects approximately 35 percent of boilers statewide, including hospitals, schools, and public buildings. Boiler permit fees provide approximately 82 percent of the operating revenue for inspection programs. These fees were last increased statutorily in 1991. This bill changes the methodology for charging these fees, and increases the overall cost of the permit fee by 35 percent. This adjustment, combined with other fee adjustments and increases will result in a revenue increase of \$961,294 Other Fund for the boiler program.

The increase in revenue of \$43,700 Other Funds for the elevator program results from increasing the elevator re-inspection fee to \$75 to make the fee consistent with the boiler re-inspection fee.