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FISCAL IMPACT REPORT

ORIGINAL DATE 2/22/19

SPONSOR Martinez, R/Garcia, H LAST UPDATED _____ HB 644

SHORT TITLE Elevator Safety Act SB _____

ANALYST Hawker

APPROPRIATION (dollars in thousands)

Appropriation					Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21	FY22	FY23		
	\$350.0				Recurring	General Fund

Parenthesis () indicate expenditure decreases

Relates to Appropriation in the General Appropriation Act: HB 644 has not been referred to House Appropriations and Finance, it contains a \$350 thousand appropriation from the general fund to RLD.

SOURCES OF INFORMATION

LFC Files

No Response Received

Regulation and Licensing Department

SUMMARY

Synopsis of Bill

House Bill 644 creates the Elevator Safety Act and amends sections of the Construction Industry Licensing Act.

Section 1: provides the short title, Elevator Safety Act.

Section 2: establishes the definitions used in the Elevator Safety Act. Requirements to be an “apprentice training program” are established.

Section 3: provides exemptions from the Elevator Safety Act. Exemptions include: material hoists; boom lifts; mobile scaffolds, towers and platforms; powered platforms and equipment for exterior and interior maintenance; conveyers and related equipment; cranes, derricks, hoists, jacks and slings; industrial trucks; portable equipment, except for portable escalators that are covered by the standards; tiering or piling machines that are used to move materials to and from

storage and that are located and operating entirely within one story; equipment for feeding or positioning materials at machine tools, printing presses and similar equipment; skip or furnace hoists; wharf ramps; railroad car lifts or dumpers; line jacks , false cars, shafters, moving platforms and similar equipment used for installing a conveyance; conveyances within a single family dwelling.

Section 4: establishes the Construction Industries Commission shall adopt rules for conveyances regulated by the Elevator Safety Act. Fee schedules for licenses, permits and certificates shall be established.

Section 5: provides requirements for elevator mechanics, contractors and inspectors. Only licensed contractors can erect, construct, alter, replace, maintain, remove or dismantle any conveyance contained in buildings or structures.

A licensed contractor is not required for removing or dismantling conveyances that are destroyed as a result of a complete demolition of a secured building or structure where the hoistway or wellway is demolished back to the basic support structure whereby no access is permitted therein to endanger safety and welfare.

Section 6: any sole proprietorship, partnership, firm or corporation wishing to engage in work on conveyances shall apply for the appropriate license with the Construction Industries Division. Mechanics employed by licensed contractors shall demonstrate documented experience and education credits, to include not less than four years work experience in the elevator industry and a written examination. The section provides for waivers from the written examination requirement.

Requirements for inspector's certificates are established.

Section 7: establishes the requirements for the issuance and renewal of licenses. Continuing education requirements are established to include approval of continuing education providers.

Mechanics who are unable to complete the continuing education course due to a temporary disability may apply for a waiver.

Section 8: provides for emergency and temporary mechanic certifications. If the governor declares an emergency due to a disaster, act of God or work stoppage, and the number of licensed persons in the state is insufficient to cope with the emergency, contractors may respond as necessary to ensure the safety of the public. Emergency certifications shall be valid for no more than 45 days from the date of issuance. Emergency certifications are valid for particular elevators or geographical areas as designated by the director. Emergency certifications can be renewed if the emergency continues beyond 45 days. No fees shall be charged for emergency licenses or their renewal.

Section 9: by January 1, 2020 the owner or lessee of every existing conveyance shall register the conveyance. Registration is to include: type of conveyance, rated load and speed, manufacturer, its location, the purpose for which it is used and any other information the director requires. After January 1, 2020, all conveyances shall be registered at the time they are completed and placed in service.

Section 10: persons licensed or certified pursuant to the Elevator Safety Act shall ensure the installation or service and maintenance of the conveyance is performed in compliance with all laws, ordinances and rules, including fire and building codes.

Section 11: no conveyance shall be erected, constructed, installed or altered without a permit obtained from the director prior to work commencing. Permit fees shall be set by the director and are not refundable.

Section 12: provides for conveyance certificates of operation, annual inspections and registrations. It is the responsibility of the owner or lessee of any conveyance to ensure the required tests are performed in intervals in compliance with HB 644, are completed by a certified mechanic and have a certified inspector present to physically witness the testing.

If during the inspection of a conveyance, it is deemed to be a hazard, the director shall notify the owner, shall order alterations or additions deemed necessary and shall direct the conveyance may not be used until the dangerous condition has been remedied.

Section 13: establishes provisions for temporarily dormant conveyances. Annual inspections shall continue during the temporarily dormant status. Temporarily dormant status may be renewable on an annual basis and shall not exceed five years.

Section 14: the director shall set permit fees for all conveyances.

Section 15: provides for enforcement.

Section 16: establishes a misdemeanor penalty for persons found in violating the Elevator Safety Act.

Section 17: establishes civil penalties including for suspension and revocation of licenses.

Section 18: establishes the Elevator Safety Act shall not apply to municipalities that operating a program from the permitting, installation, maintenance, alteration, inspection or testing of conveyances. All conveyances, regardless of location must be registered with the director.

Section 19: amends Section 60-13-2 NMSA 1978 to include “or the elevator safety bureau” in the definitions of “trade bureau”, “jurisdiction”, “trade bureau jurisdiction”, “journeyman”. “Inspection agency” is amended to include “or conveyances”. “Conveyance” is defined in the section.

Section 20: amends Section 60-13-6 NMSA 1978, changing the number of members on the construction industries commission from nine to ten voting members, adding a member who is a representative of the elevator construction industry.

Section 21: amends Section 60-13-31 NMSA 1978 adding the “elevator safety bureau” to the trade bureaus.

Section 22: amends Section 60-13031 NMSA 1978 adding to the “certificate of competence” definition “or journeyman elevator mechanic”.

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Section 23: amends Section 60-13-38 NMSA 1978 striking language that exempted full-time students from the provisions of subsection I, journeyman electrician certificate of competence, and subsection L, residential wiring certificate of competence. Language is added for journeyman elevator mechanic certificate of competence.

Section 24: adds a new section to the Constructions Industries Act, Section 60-13-41.1 NMSA 1978, addressing conveyance inspectors.

Section 25: Section 60-13-44 NMSA 1978 amends trade bureau standards to add the “elevator safety bureau”.

A new subsection, J, is added, the elevator safety bureau shall recommend standards that are developed through an open, balanced consensus process. The elevator safety bureau shall be authorized to consult with engineering authorities and organizations concerned with safety codes, rules and regulations governing the operation, maintenance, servicing, construction, alternation, installation and inspections.

The section also includes technical cleanup.

Section 26: appropriates \$350 thousand from the general fund to RLD for expenditure in FY20 to implement the provisions of the Elevator Safety Act. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund.

Section 27: the effective date of the provisions in this act is July 1, 2019.

FISCAL IMPLICATIONS

The appropriation of \$350 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

The construction industries division of RLD will be requires to establish the provisions of the Elevator Safety Act, to include providing for permitting of elevators, licensing mechanics, registering elevators, establishing fees.

VKH/al