

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1553 - SB 2557

February 16, 2016

SUMMARY OF BILL: Requires all technical issues concerning elevators, dumbwaiters, escalators, aerial passenger tramways, and amusement devices to be heard by the Elevator and Amusement Device Safety Board. Authorizes an amusement device to resume operation following a fatality or serious injury, upon authorization from the Department of Labor and Workforce Development (DLWD), immediately following the reasonable determination by a qualified, third-party inspector, that the principal cause of the serious physical injury was the victim's failure to comply with the posted safety rules or with verbal instructions.

Creates a \$300 penalty levied each day to an owner or operator of an amusement device that fails to comply with the provisions set forth in this legislation. Removes the 10-year experience requirement currently listed in the qualifications of hiring a chief boiler inspector.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$1,200

The Governor's Recommended Budget Document for FY16-17, on Page A-40, includes recurring revenue of \$99,200.

Assumptions:

- Based on information provided by DLWD, five amusement device companies had an instance where serious injury or a fatality occurred on an amusement device between February 2015 and February 2016; none of which failed to comply with a cease and desist order.
- The penalty for failing to comply with a cease and desist order is \$300 each day of non-compliance.
- It is reasonable to assume that one company a year will fail to comply with requirements following a serious injury or a fatality. Furthermore, for purposes of the fiscal note, it is assumed that any company failing to comply with a cease and desist order will do so for an average of four days.
- Any fine revenue derived will be deposited in the state General Fund.
- The recurring increase in state revenue to the General Fund is estimated to be \$1,200 (\$300 fine x 4 days).
- The Governor's Recommended Budget Document for FY16-17, on page A-40, includes recurring revenue of \$99,200.

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IMPACT TO COMMERCE:

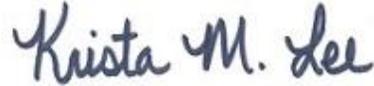
Increase Business Expenditures - \$1,200

Assumptions:

- The provisions of the bill will result in a recurring increase in business expenditures estimated to be \$1,200.
- The provisions of the bill are not estimated to have an impact on the overall number of jobs in the state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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