

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 492

with Senate committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 28, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 492 with committee amendments.

Senate Bill No. 492, as amended, provides that an elevator device regularly maintained, inspected and tested by a qualified elevator device inspection firm will not be subject to the six-month routine and one-year periodic inspection and test witnessing requirements of current law, and the payment of fees that would otherwise be applicable. Currently, inspectors for governmental enforcing agencies are required to witness the acceptance testing and routine and periodic inspections and tests of elevator devices. Owners of elevators are required to pay for the tests and inspections and for the witnessing of them by the inspectors who are public employees or employees of a private on-site inspection agency working under contract with a municipality. Under the bill, these devices could be inspected and tested by qualified elevator device inspection firms in accordance with rules and regulations prescribed by the Commissioner of the Department of Community Affairs (DCA). However, acceptance testing and the required five-year test would still have to be witnessed by an inspector for a local enforcing agency or the DCA.

The bill requires the DCA to license qualified elevator device inspectors; to register qualified elevator device inspection firms; to impose fees for licenses and registrations; to set forth the manner in which test results will be recorded and to require minimum liability insurance coverage required for qualified elevator device inspection firms.

Under the provisions of the bill, an elevator device owner would have to register each device with the department and indicate on the registration form the identity of the qualified elevator device inspection firm responsible for inspecting and testing the elevator devices. If a qualified elevator device inspector finds that an elevator device is in a dangerous condition or creates an immediate hazard, the inspector would be required to prohibit further use of it and to notify in writing the device's owner and the local enforcing agency or DCA,

as the case may be. The elevator device would have to remain out of service until the inspector certifies in writing that the dangerous condition or immediate hazard has been corrected and that the elevator device is safe for public use.

If at any time a local enforcing agency or the department determines that an elevator device is in a dangerous condition or creates an immediate hazard, it may require the owner of the device to make the necessary repairs.

Any qualified elevator device inspector or inspection firm that violates any provision of the bill would be subject to penalties in accordance with section 20 of P.L.1975, c.217 (C.52:27D-138) and suspension or revocation of licensure or registration by the department.

According to the sponsor, the purpose of this bill is to eliminate unnecessary duplication of inspection work. The enforcement procedures currently in operation are redundant and unnecessarily costly and the less costly procedures provided by this bill will sufficiently protect public safety.

In fiscal year 1995, 10,464 routine and periodic inspections were performed by the department serving as the enforcing agency, 7,781 such inspections by local enforcing agencies using municipal inspectors, and 23,120 such inspections by private on-site inspection agencies under contract with municipalities. The total fees for such inspections received by the department were \$1,723,992, and it is estimated that fees received by municipal enforcing agencies totaled approximately \$1 million. Private on-site agency fees for these inspection totaled approximately \$4 million. Fees revenues collected by the department, local enforcing agencies and private on-site agencies would be reduced by the enactment of this bill since witnessing of inspections would no longer be required in all cases.

The DCA published in the New Jersey Register on June 17, 1996 proposed changes to elevator inspections and testing similar in purpose to the provisions of this bill.

COMMITTEE AMENDMENTS

The committee amended the bill at the request of Senator Kenny with the approval of the sponsor to require the Department of Community Affairs to conduct biennially a review and analysis of the impact of this bill on the safety of elevator devices in this State. A report of the results of the review and analysis would be submitted to the Governor and Legislature.

FISCAL IMPACT

The Department of Community Affairs (DCA) has advised the Office of Legislative Services (OLS) for the purposes of a fiscal note

prepared in 1995 on an identical bill that it did not have any information regarding the potential number of persons and firms that would seek to be registered under this bill, and what the consequences would be upon the licensing of elevator subcode officials and inspectors and upon fees paid for inspections. However, DCA noted that any impact would be revenue-neutral for the State, since the elevator subcode enforcement program is presently fully fee-supported and would continue to be so under the bill, since the level inspections and witnessing of inspections that will continue to be conducted will continue to be fee supported.