

RULE IMPACT STATEMENT

Pursuant to the Administrative Procedures Act, Section 303(D) of Title 75 of the Oklahoma Statutes, the Oklahoma Department of Labor (“ODOL”) hereby submits the following Rule Impact Statement for **PERMANENT** rule proposals for OAC Title 380, Department of Labor, Chapter 70, Elevator Safety Act.

Brief Description of the Purpose of the Proposed Rules:

One purpose of the proposed rules is to create a limited elevator contractor license in OAC 380:70-5-1 to allow facilities that have a maintenance program for elevators or conveyances using mechanics trained in elevator or conveyance maintenance employed by the facility to continue to perform minor repairs to the facility's elevators.

Additionally, OAC 380:70-5-3 is amended to implement the provisions of SB 1529 which amended 59 O.S. §3023 to allow for inspections by licensed third party inspectors. The proposed rules increase the required experience to two years and require a training session and exam before an elevator inspector license will be issued. The rules also address possible conflicts of interest by prohibiting an elevator inspector from also holding an elevator contractor or mechanic license. The provision prohibiting elevator inspectors from having any financial interest in a business or operation which manufactures, installs, repairs, modifies or services elevators, escalators, or other such conveyances is clarified by adding that no inspector may be employed by these parties.

The purpose of the proposed amendment to OAC 380:70-1-2 is to establish additional definitions and to reflect the new address of the Oklahoma Department of Labor. The amendment to OAC 380:70-3-4 is to clarify that OAC 380:70 will control when in conflict with adopted standards.

Description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the cost of the proposed rule, and any information on cost impacts received by the agency from any private or public entities:

All citizens of the state of Oklahoma who may have cause to enter a building where an elevator or other such conveyance is installed, elevator contractors, elevator inspectors, facilities that have a maintenance program for elevators or conveyances using mechanics trained in elevator or conveyance maintenance employed by the facility, and individuals who choose to obtain a limited elevator contractor license will most likely be affected by the proposed rules. Individuals who choose to obtain a limited elevator contractor license will bear the cost of the elevator contractor examination and the initial and renewal elevator contractor license fee. Individuals who choose to become licensed as an elevator inspector will bear the cost of the elevator inspector examination and the initial and renewal elevator contractor license. No information on cost impacts has been received by the agency at this time.

Description of the classes of persons who will benefit from the proposed rule:

All individuals within the state of Oklahoma who may enter a building where an elevator or other such conveyance is installed will benefit from these rules. Facilities that have a maintenance program for elevators or conveyances using mechanics trained in elevator or conveyance maintenance employed by the facility will benefit from these rules.

Description of the probable economic impact of the proposed rule upon affected classes of persons or political subdivisions, including a listing for all fee changes and, whenever possible, separate justification for each fee change:

Individuals who choose to obtain a limited elevator contractor license will bear the cost of the elevator contractor examination of \$100.00 and the initial and renewal elevator contractor license fee of \$100.00. Individuals who choose to obtain an elevator inspector license, who are not already licensed, will bear the cost of the elevator inspector examination of \$100.00 and the initial and renewal elevator inspector license fee of \$75.00. All of these fees are set by 59 O.S. §3024 and are not being changed in this rulemaking action. Facilities that have a maintenance program for elevators or conveyances using mechanics trained in elevator or conveyance maintenance employed by the facility will benefit from the addition of the limited contractor license because these facilities will no longer have to pay an outside party to perform minor repairs on elevators.

The probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and any anticipated effects on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency:

The Elevator Safety Law, 59 O.S. §3024, establishes a revolving fund under the control of the Commissioner of Labor to fund the operation of the program. It is anticipated that the addition of the limited contractor license will not significantly affect agency revenue because any additional time spent by Oklahoma Department of Labor personnel to license these individuals will be covered by the licensing and examination fee paid by these individuals. The ability of elevator owners to hire third party elevator inspectors may impact agency revenue because the agency will likely be inspecting fewer elevators. However, this provision is statutory and these proposed rules merely implement the provision. It is anticipated that any additional personnel time required to issue additional elevator inspector licenses will be covered by the elevator inspector examination and licensing fees. Therefore, these proposed rules are not expected to have any impact on the general revenue or agency revenue.

A determination of whether implementation of the proposed rule will have an economic impact on any political subdivision or require their cooperation in implementing or enforcing the rule:

No economic impact on any political subdivision is anticipated at this time, nor will they be required to cooperate in implementing or enforcing the rule.

A determination of whether implementation of the proposed rule may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act:

No adverse economic impact on small business is anticipated.

An explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or nonregulatory methods or less intrusive methods for achieving the purpose of the proposed rule:

The addition of the limited contractor license is in response to industry requests for the change. Therefore, any cost incurred to obtain a limited contractor license is likely less than these facilities currently pay for outside contractors. The cost of the limited contractor license is the same fee that is already required of elevator contractors and is necessary for the elevator program to be self supporting, as required by statute. There is no less costly non-regulatory method available.

A determination of the effect of the proposed rule on the public health, safety and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk:

The proposed rule will enhance public safety by reducing the possible risk of injury that may be associated with elevators and other such conveyances. The addition of the limited contractor license will allow certain facilities to perform minor repair work on their own elevators which should result in quicker repairs and safer elevators. The additional requirements for elevator inspectors will help ensure that third party inspectors are qualified to inspect elevators with the same level of competency as Department of Labor elevator inspectors.

A determination of any detrimental effect on the public health, safety and environment if the proposed rules are not implemented:

If the proposed rules are not implemented, certain facilities will have to continue to hire outside parties to perform minor repair on elevators, which could delay necessary repairs. Additionally, there will be a detrimental effect on public health, safety and environment, as there will be no guidance on how to execute the newly enacted amendment to 59 O.S. §3023, which allows third party inspectors to inspect elevators and other such conveyances.

Date the rule impact statement was prepared and the date modified:

Prepared: February 12, 2009

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