

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

815 KAR 4:010

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(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the annual inspection requirements and fees for elevators, chairlifts, fixed guideway systems, and platform lifts within the Commonwealth.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish annual inspection requirements and associated fees to ensure the safety of elevators, chairlifts, fixed guideway systems, and platform lifts within the Commonwealth.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 198B.490 requires the Department of Housing, Buildings and Construction to promulgate administrative regulations governing the safety and inspection of elevators as defined by KRS 198B.400(1) and fixed guideway systems as defined by KRS 198B.400(11). KRS 198B.490(1) authorizes the department to prescribe, by administrative regulation, a reasonable fee to be charged for each inspection. KRS 198B.060(18) authorizes the department to establish a schedule of fees for the functions performed under KRS Chapter 198B.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation directly implements the authorizing statutes by establishing annual inspections and associated fees to govern the safety of elevators and fixed guideway systems within the Commonwealth.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment increases the fees for inspections, establishes a re-inspection fee, and clarifies that the Certificate of Approval shall not be issued until the fees have been paid. It further establishes a fee for a replacement certificate.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to make adjustments to the fees for annual inspection of elevators, chairlifts, fixed guideway systems, and platform lifts within the Commonwealth and to clarify that payment of the inspection fee is required to obtain a certificate of approval.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 198B.490(1) authorizes the department to prescribe, by administrative regulation, a reasonable fee to be charged for each inspection. KRS 198B.060(18) authorizes the department to establish a schedule of fees for the functions performed under KRS Chapter 198B.

(d) How the amendment will assist in the effective administration of the statutes: This amendment will increase revenue to the elevator inspection branch which is needed to retain its current workforce as well as to fund the future hiring of additional personnel to accommodate the growing number of units requiring inspection. Rising personnel costs are outpacing current revenues in spite of an approximately 33% reduction in operating costs since FY21. FY24 expenditures exceeded total revenues by \$56,437. FY25 expenditures are projected to exceed total revenues

nues by \$185,600.

(3) Does this administrative regulation or amendment implement legislation from the previous five years? No.

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Any building owner with a conveyance of the type regulated by this administrative regulation will be affected. More specifically, the elevator inspection branch's data reflects there are currently 14,826 building locations with conveyances for inspection.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment: Regulated entities will be required to pay more for inspections and replacement certificates of operation.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4): See Section 2 of this administrative regulation.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (4): The revenue generated by the fee increases will allow the elevator inspection branch to meet existing personnel and operating costs and fund future hires in order to perform timely inspections necessary to ensure the safety of the unit and the passengers.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: The Department will not incur initial costs to implement this administrative regulation.

(b) On a continuing basis: The Department will not incur continuing costs to administer this administrative regulation.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Implementation of these amendments is not anticipated to result in any additional cost to the agency. Any agency costs resulting from these administrative amendments will be met with existing agency funds.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No, the amendment itself is a fee increase, but no fees or funding will be required for implementation.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: Yes, this amendment seeks to increase fees for the inspection of regulated conveyances.

(10) TIERING: Is tiering applied? Tiering is not applied as all consumers affected by this administrative regulation will be subject to the amended requirements.

FISCAL IMPACT STATEMENT

815 KAR 4:010

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(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation: This administrative regulation is authorized and required by KRS 198B.490 and 198B.060.

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: This administrative regulation is required and authorized by KRS 198B.060(18) and 198B.490.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: Public Protection Cabinet, Department of Housing, Buildings and Construction, Division of Building Code Enforcement, Elevator Inspection Branch.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: It is anticipated that the elevator inspection branch will increase revenue by approximately \$540,000 in the first year.

For subsequent years: It is anticipated that revenues will increase slightly each year as the number of regulated conveyances increases yearly.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): None.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: The cost to each entity will depend on the number of units requiring inspection.

For subsequent years: The cost will not increase unless the number of units requiring inspection increases.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): Building owners with conveying systems.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: The cost to each entity will depend on the number of units requiring inspection, but the cost is increasing by a flat \$25 per unit and an additional \$15 per floor over 10.

For subsequent years: There will be no difference in subsequent years.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: It is anticipated that the elevator branch will increase revenue by approximately \$540,000.

(b) Methodology and resources used to reach this conclusion: The fiscal impact was calculated by multiplying the number of conveyances inspected in 2025 by the total fee increase.

(6) Explain, as it relates to the entities in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(14): This regulation will not have a major economic impact as defined by KRS 13A.010.

(b) The methodology and resources used to reach this conclusion: Owners of buildings with elevators and escalators will be subject to a flat \$25 increase (plus a \$15 increase per floor over 10 if applicable) in annual inspections.