

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

815 KAR 4:025

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(1) Provide a brief summary of:

(a) What this administrative regulation does: The administrative regulation establishes the permit and inspection fees for new and altered 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 permit and inspection fees for new and altered elevators, chairlifts, fixed guideway systems and platform lifts.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 198B.420 requires the Department of Housing, Buildings and Construction to administer all aspects of the State Elevator and Fixed Guideway System Inspection Program. KRS 198B.520 requires a permit to be obtained prior to the construction, installation, or alteration of an elevator or fixed guideway system. KRS 198B.490 requires the department to promulgate administrative regulations governing the safety and inspection of elevators and fixed guideway systems and authorizes the department to establish reasonable fees 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 permit and inspection fees to govern the safety of elevators and fixed guideway systems within the Commonwealth and creates three new forms to ensure a unit is ready for final inspection.

(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 removes a fee chart distinguishing units by horsepower, enumerates the types of units requiring inspection, and adds specific fees for the enumerated units. This amendment also updates the pre-inspection checklist for elevators and incorporates pre-inspection checklists for escalators, private residence chairlifts, and private residence elevators.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to ensure the elevator inspection branch continues to maintain a stable revenue. The technology for elevators and fixed guideway systems is evolving to require less horsepower. Accordingly, a fee schedule based on horsepower meant the fees collected would continue to decrease. This amendment is also necessary to create new forms that will be utilized to ensure a unit is ready for final inspection.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 198B.420 requires the Department of Housing, Buildings and Construction to administer all aspects of the State Elevator and Fixed Guideway System Inspection Program. KRS 198B.520 requires a permit to be obtained prior to the construction, installation, or alteration of an elevator or fixed

guideway system. KRS 198B.490 requires the department to promulgate administrative regulations governing the safety and inspection of elevators and fixed guideway systems and authorizes the department to establish reasonable fees 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 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 individual or business with a conveyance of the type regulated by this administrative regulation and elevator contractors will be affected. More specifically, the elevator section's data reflects there are currently 14,826 building locations with a total of 30,462 conveyances for inspection, and an additional 869 units located in private residences.

(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 permits and complete the required applicable pre-inspection checklist

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4): See Section 4 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. Completion of the pre-inspection checklists helps prevent elevator contractors from making common mistakes and decreases the likelihood of a reinspection.

(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

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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 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 by KRS 198B.060, 198B.4009, 198B.490, and 198B.520.

(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: The elevator inspection branch anticipates a total of \$452,750 in permitting revenues under the amended fee schedule based on CY25's permitting numbers. Actual revenues for all permits in CY25 were \$261,644.50. This would result in a total increase in new construction/alteration permitting fees of \$191,105.50.

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 and type of units requiring permitting and inspection.

For subsequent years: The cost will not increase unless the number and type 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): None.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

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

For subsequent years: The cost will not increase unless the number and type 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.

(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: The elevator inspection branch anticipates a total of \$452,750 in permitting revenues under the amended fee schedule based on CY25's permitting numbers. Actual revenues for all permits in CY25 were \$261,644.50. This would result in a total increase in new construction/alteration permitting fees of \$191,105.50.

(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 identified 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(14).

(b) The methodology and resources used to reach this conclusion: Additional costs will vary by cost and type of unit installed that requires inspection. The largest increase is for a passenger elevator utilizing 0-5 HP (\$315).

SUMMARY OF MATERIAL INCORPORATED BY REFERENCE

815 KAR 4:025. Forms incorporated by reference.

"Elevator Inspection Violation Reference List for New and Existing Elevator Devices and Scheduling Checklist," Form EV-5, 5 pages

This form is a reference checklist containing the most common violations for new and existing elevator devices. The permit holder shall utilize this form to note any outstanding violations and submit it to the appropriate inspector 48 hours prior to scheduling a test time and date.

"Elevator Inspection Section" is amended to "Elevator Inspection Branch" to reflect the appropriate name.

References to a specific version of the ASME A17.1, Safety Code for Elevators and Escalators, and ASME A18.1, Platform Lifts and Stairway Chairlifts, are removed and "as referenced by the current edition of the Kentucky Building Code" is added to ensure the form remains current.

The words "is to" are replaced with "shall" to create a clear duty with respect to both the permit holder and the inspector.

The words "at the scheduled time of the test" are replaced with "48 hours prior to scheduling a test time and date" to reflect the appropriate policy.

The word capitalized word "Inspector" is replaced with "inspector" to correct a grammatical error.

References to a specific version of the NFPA 70 for electrical code violations, the NFPA 13 for sprinklers, and the NFPA 72 for fire alarm and firefighter emergency operations are removed so the form remains current.

The words "No person or company, including a contractor, owner, tenant, or elevator company may use the elevator to haul construction materials, furniture, or persons not directly related to the installation and construction of the elevator unless permitted by a temporary certificate of operation issued by the Chief Elevator Inspector" are replaced with "A temporary 90-Day Construction Use permit may be requested to transport construction personnel as well as tools and construction materials, which must be permanently fastened or secured to the building infrastructure. A permitted construction use elevator may not be used for any purpose except those performed by the permit holder and must at all times be operated by a trained operator with authorization from the permit holder." This amendment uses the appropriate name of the required permit and clarifies what types of use it allows. It also seeks to address concerns about damage to construction elevators caused by inappropriate use by instructing that materials are to be secured

and the elevator only operated by a trained individual with the permission of the permit holder.

The words "Additional Notes and Remarks" are added to indicate the purpose of the lines at the bottom of the first page.

References to a specific code section are removed from each checklist item throughout the remainder of the form to ensure the form remains current.

Outdated code sections and language are removed from various checklist items throughout to make the form current.

"Escalator Inspection Violation Reference List for New and Existing Escalators and Scheduling Checklist," Form EV-6

This form is a reference checklist containing the most common violations for new and existing escalators. The permit holder shall utilize this form to note any outstanding violations and submit it to the appropriate inspector 48 hours prior to scheduling a test time and date.

"Private Residence Inspection Violation Reference List for New Elevators and Scheduling Checklist," Form EV-7

The form is a reference checklist containing the most common violations for new elevators in private residences. The permit holder shall utilize this form to note any outstanding violations and submit it to the appropriate inspector 48 hours prior to scheduling a test time and date.

"Private Residence Chairlift Inspection Test Form," Form EV-8

This form is a checklist of the items that will be tested by the inspector for private residence chairlifts. The permit holder shall utilize this form to ensure all checklist items are capable of demonstration and submit it to the appropriate inspector 48 hours prior to scheduling a test time and date.