

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0442-01
Bill No.: SB 104
Subject: Construction and Building Codes; Drugs and Controlled Substances; Employees-
Employers; Labor and Industrial Relations Dept.
Type: Original
Date: March 23, 2011

Bill Summary: Regulates the operation of certain cranes.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|-------------------|--------------------|--------------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| General Revenue | (\$93,475) | (\$107,333) | (\$108,417) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | (\$93,475) | (\$107,333) | (\$108,417) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------------------------|------------------------------|------------------------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| Road | (Less than \$100,000) | (Less than \$100,000) | (Less than \$100,000) |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | (Less than \$100,000) | (Less than \$100,000) | (Less than \$100,000) |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| General Revenue | 2 | 2 | 2 |
| | | | |
| Total Estimated Net Effect on FTE | 2 | 2 | 2 |

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Public Safety - Missouri State Highway Patrol, Office of State Treasurer, City of Kansas City, St. Louis County, Parkway School District, St. Louis Public Schools, Linn State Technical College, Lincoln University, University of Missouri** and **Northwest Missouri State University** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Missouri Department of Transportation (MoDOT)** state specific equipment such as boom trucks and draglines used by the department are currently not exempt from the legislation. While the specific registration costs and training and record-keeping costs are unknown at present, there will be a fiscal impact to the MoDOT. The MoDOT estimates annual costs unknown less than \$100,000.

Officials from the **Department of Labor and Industrial Relations (DOL)** state the Labor Standards Division (LSD) assumes that the enforcement of this legislation would be similar to the enforcement of other labor laws. The LSD estimates that 2 FTE would be required to investigate potential violations of this legislation and determine if any damages shall be assessed.

The DOL estimates FY 12 costs of \$93,475; FY 13 costs of \$107,333; and FY 14 costs of \$108,417.

Oversight assumes minimal income from potential violations will be deposited in the Crane Safety Enforcement Fund.

No other schools, colleges, cities, or counties responded to **Oversight's** request for a statement of fiscal impact.

| <u>FISCAL IMPACT - State Government</u> | FY 2012 (10 Mo.) | FY 2013 | FY 2014 |
|---|---|---|---|
| GENERAL REVENUE FUND | | | |
| <u>Costs - DOL</u> | | | |
| Personal service | (\$57,740) | (\$69,981) | (\$70,681) |
| Fringe benefits | (\$30,221) | (\$36,628) | (\$36,994) |
| Equipment and expense | <u>(\$5,514)</u> | <u>(\$724)</u> | <u>(\$742)</u> |
| Total Costs - DOL | <u>(\$93,475)</u> | <u>(\$107,333)</u> | <u>(\$108,417)</u> |
| FTE Change - DOL | 2 FTE | 2 FTE | 2 FTE |
| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
| | <u>(\$93,475)</u> | <u>(\$107,333)</u> | <u>(\$108,417)</u> |
| Estimated Net FTE Change for General Revenue Fund | 2 FTE | 2 FTE | 2 FTE |
| ROAD FUND | | | |
| <u>Costs - MoDOT</u> | | | |
| Registration, training, and record- keeping | <u>(Unknown less than \$100,000)</u> | <u>(Unknown less than \$100,000)</u> | <u>(Unknown less than \$100,000)</u> |
| ESTIMATED NET EFFECT ON ROAD FUND | | | |
| | <u>(Unknown less than \$100,000)</u> | <u>(Unknown less than \$100,000)</u> | <u>(Unknown less than \$100,000)</u> |
| <u>FISCAL IMPACT - Local Government</u> | | | |
| | FY 2012 (10 Mo.) | FY 2013 | FY 2014 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

This proposal would directly impact small businesses that would need to register with the Department of Labor and pay registration fees.

FISCAL DESCRIPTION

This proposal establishes crane safety standards and requires employers to register with the Department of Labor and Industrial Relations every two years and pay a fee. The Department of Labor and Industrial Relations has the authority to promulgate rules to carry out this proposal.

The director of the Department of Labor and Industrial Relations shall designate crane operators, signal persons, riggers (individuals who attach loads to cranes), and crane operator trainees as safety sensitive positions. Employers who employ these individuals are required to have a drug and alcohol free workplace and substance abuse policy. These policies must include certain mandatory drug testing, prohibition on employees working while under the influence of alcohol, drugs, or a controlled substance, and a prohibition on the use, possession, or manufacture of any unlawful drug or use of alcohol while at work.

Employers are required to ensure that individuals who operate cranes meet training requirements, pass a written test, demonstrate proficiency in operating the specific type of crane, pass a practical skills examination, and demonstrate specific knowledge of crane operations, or an employer may accept a crane operator certification from certain national certification programs. Crane operators must also provide medical documentation to their employer and pass a substance abuse test. Employers must ensure crane operators are tested every five years.

Crane operator trainees may be allowed to operate cranes if they are under the direct supervision of a crane operator, demonstrate a basic understanding of crane operations or complete an approved operating engineer apprenticeship program, complete a medical examination, and successfully pass a drug test.

Individuals who provide hand or verbal signals to control crane operations are required to have certain knowledge or be certified by certain national programs.

Employers are required to ensure that all the hardware, equipment and means used to safely attach a load to a crane (i.e. rigging) are used in accordance with manufacturer limitations and requirements and individuals who rig loads with hardware and equipment used to attach a load to a crane (i.e. riggers) have received training appropriate to the level of work they perform. Riggers are categorized as "level I riggers", "level II riggers", and "master/lead riggers" depending on their years of experience. The different levels of riggers are required to meet different training requirements, or an employer may accept certifications from certain national certification programs. Riggers must receive refresher training under certain circumstances and successfully pass a drug test.

FISCAL DESCRIPTION (continued)

Employers are required to ensure that an initial inspection is done of all new and altered cranes and that daily and annual inspections are also conducted. Employers are required to maintain inspection and maintenance records and make all records available to the director or the director's representative for review.

Before a tower crane or supporting structure is built or modified, employers are required to ensure that a qualified person determines the appropriate and safe method to build the tower crane for that site. Written instructions and a list of the weights of each subassembly are required to be maintained at the site. Building, dismantling, jumping, or reconfiguring a tower crane must be supervised by a master/lead rigger.

Daily job safety briefings for all people working on or around the crane are required in certain situations. The master/lead rigger is required to discuss certain topics at the daily job safety briefings.

Written training records for each crane operator, signal person, rigger, and crane operator trainee must be maintained in the employer's principal office in Missouri for five years.

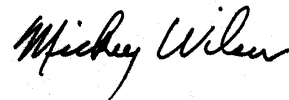
Master/lead riggers must directly supervise any special lifts and inspect the rigging used in special lifts. Employers must notify the director of the department of labor and industrial relations of certain information forty-eight hours prior to any special lift, or if not, within twenty-four hours after the special lift they must provide a written explanation of why they did not notify the director.

The director of the department is authorized to issue civil damages up to \$200 for each violation of this proposal and seek injunctions to stop certain violations. Fees and damages for violations of this proposal go to the Crane Safety Enforcement Fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator
Department of Labor and Industrial Relations
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Office of Secretary of State
Office of State Treasurer
City of Kansas City
St. Louis County
Parkway School District
St. Louis Public Schools
Linn State Technical College
Lincoln University
Northwest Missouri State
University of Missouri



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Director
March 23, 2011