



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Fiscal Note

Short Title: Make Elevators Great Again.-AB
Bill Number: House Bill 559 (First Edition)
Sponsor(s): Rep. Howard, Rep. Setzer, Rep. Gillespie, and Rep. K. Hall

SUMMARY TABLE

FISCAL IMPACT OF H.B. 559, V.1 (\$ in millions)

	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>
State Impact					
Special Fund Revenues	2.2	2.6	2.8	3.1	3.4
<u>Less Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Fund Impact	2.2	2.6	2.8	3.1	3.4
NET STATE IMPACT	2.2	2.6	2.8	3.1	3.4

FISCAL IMPACT SUMMARY

H.B. 559, Make Elevators Great Again, modifies the fees the North Carolina Department of Labor (Labor) may charge for elevator and amusement device inspections, and requires Labor to increase those fees annually in accordance with the Consumer Price Index. The elevator and amusement device inspections are conducted by the Elevator and Amusement Device Bureau (EADB) within Labor. EADB is wholly receipt-supported and does not receive General Fund support. Therefore, the increased fee receipts will not offset General Fund appropriations and will not accrue to the General Fund. As such, there is no impact to the General Fund of Part I of H.B. 559.

FISCAL ANALYSIS

Part I

H.B. 559 has three parts. Part I modifies the fees Labor may charge for elevator and amusement device inspections. In addition, beginning with FY 2026-27, Labor is directed to increase the elevator and amusement device inspection fees in accordance with the Consumer Price Index, rounded to the nearest dollar.

The Elevator and Amusement Device Bureau (EADB) within Labor is responsible for the proper installation and safe operation of all elevators, escalators, workman’s hoists, dumbwaiters, moving walks, lifting devices for people with disabilities, aerial passenger tramways, amusement rides and incline railways that operate in public establishments. EADB is wholly supported by receipts from the inspection fees.

The following table shows the current and proposed fee schedule for elevator and amusement device inspections.

Table I: Current and Proposed Fee Schedule for Elevator and Amusement Device Inspections

Fee Category	Current Fee Rate	Proposed Fee Rate	Increase (Decrease) Per Category
Applications for Permitting Fee on New Installations	\$0	\$1,000	\$1,000
Applications for Permitting Fee on Repairs/Alterations	\$0	\$250	\$250
Special Inspection Fee - Expedited	\$0	\$1,000	\$1,000
Temporary Limited Certificate for Construction Use Only (fewer than 10 floors)	\$200	\$200	\$0
Temporary Limited Certificate for Construction Use Only (10 floors or more)	\$200	\$300	\$100
Reinspection Fee of Failed New and Repair/Alteration Inspections	\$0	\$1,000	\$1,000
New and Alteration Elevator Inspections (All Types)	\$200	\$0	(\$200)
Routine Elevator Inspections (fewer than 10 floors)	\$200	\$200	\$0
Routine Elevator Inspections (10 floors or more)	\$200	\$300	\$100
Routine Handicap Lift and Dumbwaiter Inspections	\$100	\$100	\$0
Routine Escalator and Moving Walk Inspections	\$200	\$500	\$300
Advance Location Notice (ALN) Application Fee	\$0	\$25	\$25
Special Inspection Fee - Expedited	\$0	\$1,000	\$1,000
Gondolas, Chairlifts, Inclined Railroads	\$137	\$500	\$363
J or T Bars and Conveyors	\$137	\$300	\$163
Rope Tows	\$137	\$200	\$63
Amusement (Adult) Major Rides	\$100	\$250	\$150
Amusement Return Trip Inspection	\$250	\$500	\$250
Holiday/Weekend Inspection	\$250	\$500	\$250
Kiddie Rides	\$100	\$100	\$0
Go Karts (per cart)	\$50	\$50	\$0
Go Karts (track)	\$100	\$200	\$100
Amusement Rock Wall	\$100	\$100	\$0
Roller Coasters (Permanent and Portable)	\$250	\$500	\$250
Simulators	\$100	\$100	\$0
Bungee Trampolines	\$100	\$100	\$0
Water Slides	\$150	\$300	\$150
Trains	\$100	\$250	\$150

Note: the new and alteration elevator inspection fee is eliminated under the proposal.

Part I, Sections 1(d)(c) and 1(f)(b) further require the Department to adjust the fee amounts annually in accordance with the Consumer Price Index, rounded to the nearest dollar, beginning in FY 2026-27. Table 2 below forecasts the fees through FY 2029-30, based on inflation rates from Moody's April 2025 baseline

forecast. To the extent that the Consumer Price Index diverges from this forecast, the fees and fee revenue in FY 2026-27 and later will diverge from this estimate.

Table 2: Elevator and Amusement Device Inspection Fees under H.B. 559, Adjusted for Inflation, FY 2026-27 through FY 2029-30

Fee Category	Proposed Fee	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Appns for Permitting - New	\$1,000	\$1,037	\$1,056	\$1,077	\$1,097
Appns for Permitting - Repairs/Alterations	\$250	\$259	\$264	\$269	\$274
Special Inspection Fee - Expedited	\$1,000	\$1,037	\$1,056	\$1,077	\$1,097
Temp Limited Certificate (< 10 floors)	\$200	\$207	\$211	\$215	\$219
Temp Limited Certificate (≥ 10 floors)	\$300	\$311	\$317	\$323	\$329
Reinspection Fee	\$1,000	\$1,037	\$1,056	\$1,077	\$1,097
<i>New and Alteration Elevator Inspections</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Routine Elevator (< 10 floors)	\$200	\$207	\$211	\$215	\$219
Routine Elevator (≥ 10 floors)	\$300	\$311	\$317	\$323	\$329
Routine Handicap Lift, Dumbwaiter	\$100	\$104	\$106	\$108	\$110
Routine Escalator, Moving Walk	\$500	\$519	\$528	\$538	\$548
ALN Application Fee	\$25	\$26	\$26	\$27	\$27
Special Inspection Fee - Expedited	\$1,000	\$1,037	\$1,056	\$1,077	\$1,097
Gondolas, Chairlifts, Inclined Railroads	\$500	\$519	\$528	\$538	\$548
J or T Bars and Conveyors	\$300	\$311	\$317	\$323	\$329
Rope Tows	\$200	\$207	\$211	\$215	\$219
Amusement (Adult) Major Ride	\$250	\$259	\$264	\$269	\$274
Amusement Return Trip Insp	\$500	\$519	\$528	\$538	\$548
Holiday/Weekend Inspection	\$500	\$519	\$528	\$538	\$548
Kiddie Rides	\$100	\$104	\$106	\$108	\$110
Go Karts (per cart)	\$50	\$52	\$53	\$54	\$55
Go Karts (track)	\$200	\$207	\$211	\$215	\$219
Amusement Rock Wall	\$100	\$104	\$106	\$108	\$110
Roller Coasters	\$500	\$519	\$528	\$538	\$548
Simulators	\$100	\$104	\$106	\$108	\$110
Bungee Trampolines	\$100	\$104	\$106	\$108	\$110
Water Slides	\$300	\$311	\$317	\$323	\$329
Trains	\$250	\$259	\$264	\$269	\$274

Note: the new and alteration elevator inspection fee is eliminated under the proposal.

In addition to an increase in the fees due to inflation, the fee receipts will be affected by continued growth in the State. Table 3 below forecasts the number of inspections in each fee category for FY 2025-26 through FY 2029-30 based on actual inspections conducted by Labor for FY 2021-22 through FY 2023-24 and on the actual number of devices subject to inspection in the State.

Table 3: Estimated Number of Inspections for Each Fee Category, FY 2025-26 through FY 2029-30

Inspection Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Appns for Permitting - New	995	1,025	1,056	1,087	1,119
Appns for Permitting - Repairs/Alterations	1,945	1,945	1,944	1,944	1,944
Special Inspection Fee - Expedited	50	50	50	50	50
Temp Limited Certificate (< 10 floors)	103	136	180	237	313
Temp Limited Certificate (≥ 10 floors)	102	136	181	240	319
Reinspection Fee	595	595	595	595	595
<i>New and Alteration Elevator Inspections</i>	<i>3,083</i>	<i>3,198</i>	<i>3,317</i>	<i>3,440</i>	<i>3,568</i>
Routine Elevator (< 10 floors)	27,008	28,141	29,275	30,408	31,541
Routine Elevator (≥ 10 floors)	1,421	1,517	1,613	1,709	1,805
Routine Handicap Lift, Dumbwaiter	2,838	2,943	3,049	3,154	3,259
Routine Escalator, Moving Walk	748	779	810	841	872
ALN Application Fee	750	808	871	938	1,011
Special Inspection Fee - Expedited	20	20	20	20	20
Gondolas, Chairlifts, Inclined Railroads	26	26	26	26	26
J or T Bars and Conveyors	27	27	27	27	27
Rope Tows	6	6	6	6	6
Amusement (Adult) Major Ride	1,265	1,354	1,449	1,551	1,660
Amusement Return Trip Insp	20	20	20	20	20
Holiday/Weekend Inspection	71	76	82	88	95
Kiddie Rides	1,650	1,709	1,770	1,834	1,899
Go Karts (per cart)	916	926	936	947	957
Go Karts (track)	44	44	44	44	44
Amusement Rock Wall	29	29	29	29	29
Roller Coasters	17	18	19	21	22
Simulators	0	0	0	0	0
Bungee Trampolines	27	30	34	38	42
Water Slides	154	154	155	155	155
Trains	20	20	20	20	20

Note: the new and alteration elevator inspection fee is eliminated under the proposal.

Table 4 below forecasts the estimated fee revenue under the *current* fee schedule. The estimated revenue is the product of the fees under the current fee schedule and the estimated number of inspections (see Table 3). The fiscal impact of H.B. 559 will be the difference between the revenue in the table below and the revenue from the proposed fee schedule.

Table 4: Estimated Revenue from CURRENT Fee Schedule, FY 2025-26 through FY 2029-30

Fee Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Appns for Permitting - New	\$0	\$0	\$0	\$0	\$0
Appns for Permitting - Repairs/Alterations	\$0	\$0	\$0	\$0	\$0
Special Inspection Fee - Expedited	\$0	\$0	\$0	\$0	\$0
Temp Limited Certificate (< 10 floors)	\$27,200	\$27,200	\$35,915	\$47,421	\$62,614
Temp Limited Certificate (≥ 10 floors)	\$27,200	\$27,200	\$36,149	\$48,041	\$63,846
Reinspection Fee	\$0	\$0	\$0	\$0	\$0
<i>New and Alteration Elevator Inspections</i>	\$616,600	\$639,540	\$663,334	\$688,012	\$713,609
Routine Elevator (< 10 floors)	\$5,401,600	\$5,628,267	\$5,854,933	\$6,081,600	\$6,308,267
Routine Elevator (≥ 10 floors)	\$284,200	\$303,400	\$322,600	\$341,800	\$361,000
Routine Handicap Lift, Dumbwaiter	\$283,800	\$294,333	\$304,867	\$315,400	\$325,933
Routine Escalator, Moving Walk	\$149,600	\$155,800	\$162,000	\$168,200	\$174,400
ALN Application Fee	\$0	\$0	\$0	\$0	\$0
Special Inspection Fee - Expedited	\$0	\$0	\$0	\$0	\$0
Gondolas, Chairlifts, Inclined Railroads	\$3,562	\$3,562	\$3,562	\$3,562	\$3,562
J or T Bars and Conveyors	\$3,699	\$3,699	\$3,699	\$3,699	\$3,699
Rope Tows	\$822	\$822	\$822	\$822	\$822
Amusement (Adult) Major Ride	\$126,500	\$135,383	\$144,889	\$155,064	\$165,952
Amusement Return Trip Insp	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Holiday/Weekend Inspection	\$17,750	\$19,095	\$20,541	\$22,097	\$23,771
Kiddie Rides	\$165,000	\$170,904	\$177,019	\$183,353	\$189,914
Go Karts (per cart)	\$45,800	\$46,306	\$46,817	\$47,333	\$47,856
Go Karts (track)	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400
Amusement Rock Wall	\$2,900	\$2,900	\$2,900	\$2,900	\$2,900
Roller Coasters	\$4,250	\$4,534	\$4,837	\$5,161	\$5,506
Simulators	\$0	\$0	\$0	\$0	\$0
Bungee Trampolines	\$2,700	\$3,023	\$3,384	\$3,789	\$4,242
Water Slides	\$23,100	\$23,150	\$23,200	\$23,251	\$23,301
Trains	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000

Note: the new and alteration elevator inspection fee is eliminated under the proposal.

Table 5 below estimates the total fee revenue under the *proposed* fee schedule for FY 2025-26 through FY 2029-30. The estimates are calculated by multiplying the inflation-adjusted fees (see Table 2) by the estimated number of inspections by fee category (see Table 3). The fiscal impact of H.B. 559 will be the difference in the revenues under the current fee schedule (see Table 4) and the revenues under the proposed fee schedule.

Table 5: Estimated Fee Revenue under H.B. 559, FY 2025-26 through FY 2029-30

Inspection Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Appns for Permitting - New	\$995,333	\$1,063,211	\$1,114,815	\$1,170,320	\$1,227,582
Appns for Permitting - Repairs/Alterations	\$486,250	\$504,291	\$513,375	\$523,247	\$532,872
Special Inspection Fee - Expedited	\$50,000	\$51,864	\$52,807	\$53,832	\$54,832
Temp Limited Certificate (< 10 floors)	\$20,600	\$28,214	\$37,931	\$51,055	\$68,665
Temp Limited Certificate (≥ 10 floors)	\$30,700	\$42,321	\$57,267	\$77,584	\$105,023
Reinspection Fee	\$595,000	\$617,181	\$628,407	\$640,600	\$652,496
Routine Elevator (< 10 floors)	\$5,401,600	\$5,838,083	\$6,183,661	\$6,547,688	\$6,917,847
Routine Elevator (≥ 10 floors)	\$426,300	\$472,066	\$511,069	\$551,993	\$593,826
Routine Handicap Lift, Dumbwaiter	\$283,800	\$305,306	\$321,983	\$339,572	\$357,429
Routine Escalator, Moving Walk	\$374,000	\$404,020	\$427,739	\$452,727	\$478,131
ALN Application Fee	\$18,750	\$20,958	\$22,995	\$25,260	\$27,725
Special Inspection Fee - Expedited	\$20,000	\$20,746	\$21,123	\$21,533	\$21,933
Gondolas, Chairlifts, Inclined Railroads	\$13,000	\$13,485	\$13,730	\$13,996	\$14,256
J or T Bars and Conveyors	\$8,100	\$8,402	\$8,555	\$8,721	\$8,883
Rope Tows	\$1,200	\$1,245	\$1,267	\$1,292	\$1,316
Amusement (Adult) Major Ride	\$316,250	\$351,074	\$382,561	\$417,369	\$454,971
Amusement Return Trip Insp	\$10,000	\$10,373	\$10,561	\$10,766	\$10,966
Holiday/Weekend Inspection	\$35,500	\$39,613	\$43,389	\$47,582	\$52,137
Kiddie Rides	\$165,000	\$177,275	\$186,958	\$197,405	\$208,265
Go Karts (per cart)	\$45,800	\$48,032	\$49,445	\$50,961	\$52,480
Go Karts (track)	\$8,800	\$9,128	\$9,294	\$9,474	\$9,650
Amusement Rock Wall	\$2,900	\$3,008	\$3,063	\$3,122	\$3,180
Roller Coasters	\$8,500	\$9,406	\$10,218	\$11,112	\$12,076
Simulators	\$0	\$0	\$0	\$0	\$0
Bungee Trampolines	\$2,700	\$3,136	\$3,574	\$4,079	\$4,652
Water Slides	\$46,200	\$48,026	\$49,006	\$50,065	\$51,105
Trains	\$5,000	\$5,186	\$5,281	\$5,383	\$5,483
TOTAL	\$9,371,283	\$10,095,649	\$10,670,075	\$11,286,739	\$11,927,782

The fiscal impact of H.B. 559 is the difference between the fee revenue under the *current* schedule (see Table 4) and the fee revenue EADB would receive under the *proposed* schedule (see Table 5). This difference is shown in the table below.

Table 6: Estimated Impact of H.B. 559 to EADB Fee Receipts

Inspection Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Appns for Permitting - New	\$995,333	\$1,063,211	\$1,114,815	\$1,170,320	\$1,227,582
Appns for Permitting - Repairs/Alterations	\$486,250	\$504,291	\$513,375	\$523,247	\$532,872
Special Inspection Fee - Expedited	\$50,000	\$51,864	\$52,807	\$53,832	\$54,832
Temp Limited Certificate (< 10 floors)	(\$6,600)	\$1,014	\$2,016	\$3,634	\$6,051
Temp Limited Certificate (≥ 10 floors)	\$3,500	\$15,121	\$21,119	\$29,543	\$41,177
Reinspection Fee	\$595,000	\$617,181	\$628,407	\$640,600	\$652,496
<i>New and Alteration Elevator Inspections</i>	(\$616,600)	(\$639,540)	(\$663,334)	(\$688,012)	(\$713,609)
Routine Elevator (< 10 floors)	\$0	\$209,816	\$328,728	\$466,088	\$609,580
Routine Elevator (≥ 10 floors)	\$142,100	\$168,666	\$188,469	\$210,193	\$232,826
Routine Handicap Lift, Dumbwaiter	\$0	\$10,972	\$17,117	\$24,172	\$31,495
Routine Escalator, Moving Walk	\$224,400	\$248,220	\$265,739	\$284,527	\$303,731
ALN Application Fee	\$18,750	\$20,958	\$22,995	\$25,260	\$27,725
Special Inspection Fee - Expedited	\$20,000	\$20,746	\$21,123	\$21,533	\$21,933
Gondolas, Chairlifts, Inclined Railroads	\$9,438	\$9,923	\$10,168	\$10,434	\$10,694
J or T Bars and Conveyors	\$4,401	\$4,703	\$4,856	\$5,022	\$5,184
Rope Tows	\$378	\$423	\$445	\$470	\$494
Amusement (Adult) Major Ride	\$189,750	\$215,692	\$237,671	\$262,305	\$289,019
Amusement Return Trip Insp	\$5,000	\$5,373	\$5,561	\$5,766	\$5,966
Holiday/Weekend Inspection	\$17,750	\$20,518	\$22,848	\$25,484	\$28,366
Kiddie Rides	\$0	\$6,371	\$9,939	\$14,052	\$18,352
Go Karts (per cart)	\$0	\$1,726	\$2,629	\$3,628	\$4,624
Go Karts (track)	\$4,400	\$4,728	\$4,894	\$5,074	\$5,250
Amusement Rock Wall	\$0	\$108	\$163	\$222	\$280
Roller Coasters	\$4,250	\$4,872	\$5,380	\$5,952	\$6,570
Simulators	\$0	\$0	\$0	\$0	\$0
Bungee Trampolines	\$0	\$113	\$190	\$290	\$410
Water Slides	\$23,100	\$24,876	\$25,806	\$26,814	\$27,804
Trains	\$3,000	\$3,186	\$3,281	\$3,383	\$3,483
TOTAL	\$2,173,600	\$2,595,132	\$2,847,207	\$3,133,833	\$3,435,188

Section 1(b) of H.B. 559 requires the fee receipts be used for inspection, permitting, and certification purposes by the Department. It further requires the fee receipts not to revert, but to remain available for these purposes. The EADB is wholly-receipt supported and does not receive General Fund support. Therefore, the increased fee receipts will not offset General Fund appropriations and will not accrue to the General Fund. Therefore, there is no impact to the General Fund of Part I of H.B. 559.

Part II

Part II provides the Commissioner regulatory flexibility with respect to adopting or amending standards for the qualifications of elevator and amusement device inspectors from the American National Standards Institute. There is no fiscal impact from this part of the bill.

Part III

Part III directs Labor to consult with NCCCS on an in-house training and apprenticeship program for elevator inspectors. Labor has stated this program can be developed and administered with existing staff. Therefore, there is no fiscal impact from this part of the bill.

TECHNICAL CONSIDERATIONS

H.B. 559 as written does not specify where the fee receipts will be deposited. This analysis assumes fee receipts will be deposited in a special fund for use by the Department of Labor.

H.B. 559 does not limit fee increases to the cost to operate the program. If the inflationary increases exceed the cost to operate the program, the fees become a tax.

DATA SOURCES

NC DEPARTMENT OF LABOR

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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