

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: House Bill 39 (First Edition)

SHORT TITLE: Labor/Up Amusement Device Penalties.

SPONSOR(S): Representatives Davis and Howard

FISCAL IMPACT					
(\$ in millions)					
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No Estimate Available					
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
State Impact					
General Fund Revenues:	No fiscal impact anticipated.				
General Fund Expenditures:					
Special Fund Revenues:	No fiscal impact anticipated.				
Special Fund Expenditures:					
NET STATE IMPACT	No fiscal impact anticipated.				

* This fiscal note does not address the criminal penalty changes included in sections (i) and (j) of the bill. The fiscal impact of those changes will be addressed in a separate incarceration note.

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Labor

EFFECTIVE DATE: December 1, 2015

TECHNICAL CONSIDERATIONS:
None

BILL SUMMARY:

The bill increases the civil penalties associated with a violation of the Amusement Device Safety Act (Act) contained in Article 14B of G.S. 95. Specifically, the bill increases civil penalties for violations of the following statutory provisions:

Statutory Provision	Current Maximum Penalty	Proposed Maximum Penalty
G.S. 95-111.7(a)	\$250	\$2,500
G.S. 95-111.7(b)	\$250	\$2,500
G.S. 95-111.8	\$500	\$2,500
G.S. 95-111.7(c)	\$500	\$5,000
G.S. 95-111.10(c)	\$500	\$5,000
G.S. 95-111.12	\$500	\$5,000
G.S. 95-111.10(d)	\$500	\$5,000
G.S. 95-111.11(a)	\$500	\$5,000
G.S. 95-111.9	\$1,000	\$10,000
G.S. 95-111.11(b)	\$1,000	\$10,000

Finally, the bill clarifies that nothing in the Act prevents any prosecutor in the State of North Carolina from prosecuting a person who violates the Act on a charge of willful or culpable homicide.

ASSUMPTIONS AND METHODOLOGY:

The Department of Labor’s Elevator and Amusement Device Division administers the Amusement Device Safety Act and performs elevator and amusement device inspections required by law. The Division is fully receipt-supported from inspection fees and has an annual budget of approximately \$4.2 million.

The Department may assess civil penalties as provided in G.S. 95-111.13 if violations of the Amusement Device Safety Act are discovered. The clear proceeds of any civil penalties assessed are remitted to the Civil Penalty Forfeiture Fund (CPFF) established in Article 31A of G.S. 115C. Funds remitted to the CPFF are appropriated by the General Assembly for public education purposes as detailed in G.S. 115C-457.3. The Department is allowed to retain a certain percentage of the penalties to cover the actual cost of collection under G.S. 115C-457.2. The Department currently retains 9.92% of civil penalties and fines collected to cover collection costs.

In the five most recent fiscal years, FY 2009-10 to FY 2013-14, the Department assessed penalties under the Act in only one of the five years. In FY 2013-14, the Department assessed a total of nine penalties under the Act totaling \$2,300. Of the \$2,300 assessed, \$1,950 was collected. Considering recent penalty experience and the increased civil and criminal penalties associated with the legislation, this analysis assumes that penalties assessed in the future will be uncommon.

Since the bill places no additional administrative requirements on the Department and does not impact current or projected penalty revenues, this analysis assumes that the bill will not have a significant fiscal impact.

SOURCES OF DATA: Department of Labor

TECHNICAL CONSIDERATIONS: None

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