

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 31, 2003

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB329 by Naishtat (Relating to the regulation of mold assessors and remediators, civil liability for mold remediation, and insurance coverage on mold claims; providing civil and administrative penalties.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB329, Conference Committee Report: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	\$449,000	(\$449,000)	6.0
2005	\$367,750	(\$367,750)	6.0
2006	\$367,750	(\$367,750)	6.0
2007	\$367,750	(\$367,750)	6.0
2008	\$367,750	(\$367,750)	6.0

Fiscal Analysis

The bill would require the Department of Health (TDH) to implement a mold assessment and remediation program. TDH would be required to conduct education and outreach activities and assess fees for licensing and examinations. Except for certain property owners, tenants, and managing agents or employees who perform remediation in areas where the contamination affects a total surface area of less than 25 contiguous square feet, licenses would be required for those engaged in mold assessment and remediation activities. The bill would provide for mold remediator's responsibilities. TDH would take disciplinary action when needed against a licensee and provide for hearings and

appeals. The bill also authorizes administrative penalties not to exceed \$5,000 per violation and civil penalties not to exceed \$2,000 for the first offense and \$10,000 for subsequent offenses. The bill requires TDH to adopt rules by April 1, 2004. Effective September 1, 2003.

Methodology

It is assumed that a total of 6 FTEs and related operating costs would be required in order to develop the licensing/enforcement program. It is assumed that the education program about the health implications of mold growth would be outsourced at a one-time cost of \$45,000. Since employees would be able to perform assessment and remediation activities without a license, the demand for such services from licensed providers would be impacted. Per the Department of Health, the following estimated revenue will be gained from the fees in FY 2004: 170 assessment companies with a fee of \$500 per applicant, 170 assessment consultants with a fee of \$300 per applicant; 300 assessment technicians with a fee of \$100 per applicant, 150 remediation companies with a fee of \$500; 130 remediation contractors with a fee of \$300 per applicant, 250 remediation supervisors with a fee of \$150, 750 remediation workers with a fee of \$50, 8 licensed trainers with a fee of \$500, and 5 certified laboratories with a fee of \$500.

TDH further estimated revenue gained from license fees FY 05-08 as follows: 136 assessment companies with a fee of \$500, 136 assessment consultants with a fee of \$300, 240 assessment technicians with a fee of \$100, 120 remediation companies with a fee of \$500, 104 remediation contractors with a fee of \$300, 200 remediation supervisors with a fee of \$150, 600 remediation workers with a fee of \$50, 6 licensed trainers with a fee of \$500, 4 certified laboratories with a fee of \$500.

Technology

\$50,000 would be required for software programming to create and operate a database; \$40,000 would be required for related hardware.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 501 Department of Health, 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General

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