

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 11, 2003

TO: Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB656 by Geren (Relating to inspection, installation, repair, and maintenance of elevators, escalators, chairlifts, people movers, moving sidewalks, platform lifts, and related equipment; providing an administrative penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB656, As Introduced: 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</i> <i>FUND</i> 1 | Probable Savings/(Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1 | Change in Number of State Employees from FY 2003 |
|-------------|---|---|---|
| 2004 | \$59,400 | (\$59,400) | 1.0 |
| 2005 | \$46,611 | (\$46,611) | 1.0 |
| 2006 | \$46,611 | (\$46,611) | 1.0 |
| 2007 | \$46,611 | (\$46,611) | 1.0 |
| 2008 | \$46,611 | (\$46,611) | 1.0 |

Fiscal Analysis

The bill would authorize the Texas Department of Licensing and Regulation to register contractors and license elevator mechanics and cab renovators. It would authorize the agency to write rules establishing standards, set fees for registrants and licensees, and issue certificates of compliance for equipment. It would also require the agency to approve continuing education courses.

The bill would take effect September 1, 2003.

Methodology

The Texas Department of Licensing and Regulation expects a licensee population of approximately 1,275. The agency would need a total of one additional FTE to administer the program. This total would include one-half Administrative Technician III FTE (\$16,633 for salary and benefits) to review and process applications for licensure, registration, and certification of compliance and to review work reports submitted by contractors and compare addresses to an existing database. Also included would be one-quarter Investigator IV FTE (\$10,579 for salary and benefits) to investigate complaints and one-quarter Legal Assistant IV FTE (\$9,964 for salary and benefits) to perform preliminary reviews of incoming complaints and to prepare legal documents. It is assumed the agency can absorb additional administrative functions such as processing mail and reviewing applications with existing staff.

The agency also indicates it would require \$2,100 in professional services to image an additional 35,000 documents, \$1,600 for the travel of four additional advisory board members, and \$1,235 for additional background checks. For travel, equipment, and other operating expenses, the agency would need \$17,289 in fiscal year 2004 and \$7,500 in each subsequent year.

It is assumed the agency would adjust fees to offset any costs associated with the implementation of the bill.

Technology

The Texas Department of Licensing and Regulation would require \$2,300 for a computer and related equipment for an additional FTE. The agency would also require \$5,000 to purchase an additional disk drive for storage of documents in the imaging system.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 452 Department of Licensing and Regulation

LBB Staff: JK, JRO, RT, RB