

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

February 24, 2003

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB129 by Fraser (Relating to the regulation of mold remediation and other mold-related activities; providing civil, administrative, and criminal penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB129, As Introduced: a negative impact of (\$237,335) 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.

The bill relates to the regulation of mold remediation and other mold-related activities and provides civil, administrative and criminal penalties. The bill would direct the Department of Health (TDH) to establish two programs. One program, the Indoor Air Quality (IAQ) Program, would provide statewide education on the importance of IAQ in buildings. The other program would license individuals in indoor mold assessment and mold remediation activities, mold analysis companies, and provide accreditation of training providers.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$151,802)
2005	(\$85,533)
2006	(\$85,533)
2007	(\$85,533)
2008	(\$85,533)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	(\$651,802)	\$500,000	13.0
2005	(\$585,533)	\$500,000	13.0
2006	(\$585,533)	\$500,000	13.0
2007	(\$585,533)	\$500,000	13.0
2008	(\$585,533)	\$500,000	13.0

Fiscal Analysis

TDH assumed that the statewide IAQ education program and the Licensing Program would be supported with general revenue funds. Fees and penalties would be collected for the licensing

program. According to the agency, the IAQ education program would require one FTE in the Central Office. It is assumed that the IAQ education program could be absorbed within the agency's existing resources.

The Licensing Program would consist of two sections: licensing/training section and enforcement/notification section. According to the agency, the program would require 6 FTEs at the Central Office and 7 FTEs in the regional offices. The agency indicates that a software database program would be developed and two servers would be required to maintain and track various activities such as enforcement and licensing. The agency indicates that few enforcement actions would be undertaken in FY 2004 because of the need for rulemaking and hiring and training of staff. The accreditation and licensing components would be implemented first.

The agency estimates that several thousand buildings are affected by some degree of mold each year and 2,500 building owners would hire mold-related contractors to perform IAQ assessments as required in the bill's provisions.

Methodology

Total expenditure for the Licensing Program is \$651,802 in FY 2004. Included in the total expenditures are: \$242,961 in personnel cost to support a total of 13 FTEs for part of the year. Expenditures are estimated at \$18,501 for Rent & Utilities and \$48,500 for Travel related to inspection activities, assuming approximately one half of the fiscal year 2004. One time expenses in FY 2004 include: \$60,000 for professional IT services for programming and maintenance of the database. Travel expenditures related to inspection activities are estimated at \$19,600 in FY 2004. Travel expenditures related to training and education are estimated at \$28,900 in FY 2004.

Total expenditures for the Licensing Program in fiscal years 2005 through 2008 are estimated at \$585,533 each year.

It is assumed that TDH would implement the IAQ education program within the agency's existing resources.

Estimated revenue gained for license fees includes \$375,000 per year in fiscal years 2004 through 2008. It is also estimated that revenue gained from notifications would be \$125,000 per year in fiscal years 2004 through 2008.

Technology

Expenditures for IT equipment and software, including 13 personal computers @ \$1,270 each and 1 printer, are estimated at \$67,810 in FY 2004.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Local governments may be required to pay licensing fees.

Source Agencies: 302 Office Of The Attorney General, 304 Comptroller Of Public Accounts, 453 Workers' Compensation Commission, 454 Department Of Insurance, 501 Department Of Health

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