

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**March 1, 2005**

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

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB1020** by Hamilton (Relating to the regulation of certain fire protection sprinkler system journeymen and apprentices.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1020, As Introduced: an impact of \$0 through the biennium ending August 31, 2007.

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
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>DEPT INS OPERATING</i> <i>ACCT</i> <b>36</b>	Probable (Cost) from <i>DEPT INS OPERATING</i> <i>ACCT</i> <b>36</b>	Change in Number of State Employees from FY 2005
2006	\$217,500	(\$217,500)	5.0
2007	\$217,500	(\$217,500)	5.0
2008	\$217,500	(\$217,500)	5.0
2009	\$217,500	(\$217,500)	5.0
2010	\$217,500	(\$217,500)	5.0

**Fiscal Analysis**

The bill would amend the Insurance Code relating to the regulation of certain fire protection sprinkler system journeymen and apprentices. The bill requires apprentices who have over 8,000 hours of documented experience as a fire protection sprinkler system employee or apprentice to obtain a journeyman license upon completion of the application and licensing process and all apprentices who have under 8,000 hours are required to register with the board as an apprentice and obtain certification. In addition, journeymen and apprentices must successfully complete 6 hours of continuing education each year on the law and codes governing fire protection sprinkler systems to be eligible to renew a license or certificate of registration. The Attorney General, or the county or district attorney, are given authority to bring suit to recover a penalty under this section in the amount not to

exceed \$5,000 per violation. The bill would require the penalty collected to be deposited to the credit of the General Revenue fund. This bill would not provide for the recovery of attorney fees.

The bill would take effect immediately upon receiving a two-thirds majority vote of all the members of each house. If the bill does not receive a two-thirds majority vote of all the members in each house, the bill would take effect on September 1, 2005.

### **Methodology**

The Department of Insurance estimates an increase of 5.0 FTEs in licensing administration and investigations would be needed to accommodate added workload. The cost of the additional FTEs would be \$134,796 in FY 2006 – FY 2010. Additional FTEs include 1.0 Investigator III position at \$31,068 per year and 4.0 Administrative Assistant III positions at \$25,932 per year for a total of \$103,728. Additional operating costs include employee benefits, travel, rent, equipment, telephone, and consumable supplies. It is assumed that any additional technology related costs and other related costs could be absorbed within current resources.

License renewals issued for each fiscal year: 6,500 journeymen at \$30 = \$195,000, plus 1,500 apprentices at \$15 = \$22,500; totaling \$217,500.

### **Technology**

The Department of Insurance estimates that the acquisition cost for computer hardware and software to support the additional FTEs is estimated to be \$10,166 in fiscal year 2006.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General, 454 Department of Insurance

**LBB Staff:** JOB, JRO, MW, NV