

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 3, 2005

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

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

IN RE: HB3304 by Davis, John (Relating to the regulation of roofing contractors; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3304, 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>GENERAL REVENUE FUND 1</i>	Probable (Cost) from <i>GENERAL REVENUE FUND 1</i>	Change in Number of State Employees from FY 2005
2006	\$487,642	(\$487,642)	7.5
2007	\$402,032	(\$402,032)	7.5
2008	\$402,032	(\$402,032)	7.5
2009	\$402,032	(\$402,032)	7.5
2010	\$402,032	(\$402,032)	7.5

Fiscal Analysis

The provisions of the bill would require the Texas Department of Licensing and Regulation (TDLR) to register and renew annually, licenses for roofing contractors and provide for exemptions. The bill would not restrict the practice of architecture or engineering by a person licensed in this state to practice that profession.

The provisions of the bill require an application fee for a new and renewal roofing contractor certificate of registration. The bill also requires TDLR to certify a continuing education program for roofing contractor license holders.

Except as provided by Subsection (b) of this section, the bill would take effect September 1, 2005. Section 1231.151, Subchapters E and F, and Chapter 1251 of the Occupations Code, as added by the bill, would take effect September 1, 2006.

Methodology

Under current law, Texas Department of Licensing and Regulation (TDLR) is required to cover its operation costs with generated revenue. It is assumed that additional revenues would be generated to cover any costs associated with implementing the provisions of the bill.

Based on information provided by TDLR, it is assumed that TDLR would need an additional 7.5 full-time equivalents (FTE) each year and \$487,642 in fiscal year 2006 and \$402,032 in fiscal year 2007 for registration, enforcement, and to provide continuing education of sheet metal journeyman and sheet metal apprentices. (\$321,192 salaries and benefits, \$13,500 for travel, \$19,500 for other operating costs each fiscal year and one time costs of \$78,950 for equipment in fiscal year 2006)

TDLR would need one Administrative Assistant III, Legal Assistant III, Program Specialist V; 2 Administrative Assistant IV; 2 Investigator IV; and 0.5 Attorney IV.

TDLR estimates additional cost for TexasOnline fees of \$5 for each new and renewal license application through the internet; background checks and license development would be \$28,000 in fiscal year 2006 and \$42,840 in fiscal years 2007 through 2010.

TDLR estimates the following changes to its performance measures:
The Number of New Licenses Issued to Individuals will increase by 4,000 in fiscal year 2006 and by 123 in subsequent years.

The Number of Licenses Renewed (individuals) will increase by 6,120 in fiscal year 2007 and by 123 in subsequent years.

The Number of Administrative Hearings will increase by six in fiscal year 2006, 16 in fiscal year 2007, and 13 in subsequent years.

Technology

TDLR estimates needing \$32,150 for the purchase of computers and related equipment in fiscal year 2006.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Department of Licensing and Regulation

LBB Staff: JOB, JRO, MW, RR