

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 5, 2005

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

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

IN RE: SB686 by Carona (relating to the regulation of air conditioning and refrigeration technicians; providing an administrative penalty.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB686, Committee Report 1st House, Substituted: 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	\$776,590	(\$776,590)	12.5
2007	\$705,254	(\$705,254)	12.5
2008	\$705,254	(\$705,254)	12.5
2009	\$705,254	(\$705,254)	12.5
2010	\$705,254	(\$705,254)	12.5

Fiscal Analysis

The provisions of the bill require the Texas Department of Licensing and Regulation (TDLR) to register and renew annually air conditioning and refrigeration service and repair technicians that assist air conditioning and refrigeration contractors in performing air conditioning and refrigeration maintenance work. The bill requires an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2005. Sections 1302.501 and 1302.503, Occupations Code take effect June 30, 2006.

Methodology

It is assumed that TDLR would set fees as necessary to offset the costs of implementing the provisions of the bill.

It is estimated that TDLR would need an additional 12.5 Full-time Equivalents (FTE) each year and \$776,590 in fiscal year 2006 and \$705,254 in fiscal year 2006 for registration and enforcement of air conditioning and refrigeration technicians. (\$559,504 salaries and benefits, \$12,000 for travel, \$18,750 for other operating costs each fiscal year and one-time costs of \$76,336 for equipment in fiscal year 2006).

TDLR estimates it would need the following FTEs:

2 FTE Administrative Assistants III for data entry, to review and approve applications, run and review Department of Public Safety reports, and disseminate correspondence related to the issuance of registrations,

1.5 FTE Administrative Assistants III to answer inquiries via phone, email and in person to disseminate information regarding law, rules, registration and enforcement processes,

2 FTE Legal Assistants II to perform initial review of complaints to determine departmental jurisdiction through correspondence with respondents and complainants, data entry complaint information, and answer inquiries related to the enforcement issues. They would also review criminal background checks to determine if the registration should be denied,

0.5 FTE Legal Assistant III would review and process complaints, prepare pleadings, and assist a prosecutor at hearings,

2 FTE Investigators IV would investigate complaints by documenting facts of the complaints and testifying at hearings,

2 FTE Accountants II to balance and post fees, prepare and data entry into the Uniform Statewide Accounting System the fees submitted with registration applications and to receive payments at cashier window,

1.5 FTE Administrative Assistants II (mail room) would open and date stamp incoming mail, sort non-money mail by division and distribute to the Licensing, Enforcement and other divisions, restrictively endorse money receipts, assign receipt numbers, data enter into cash receipts system to process money sent with applications or as enforcement penalty payments, and

1 FTE Program Specialist V would be needed to provide code interpretations, to testify as expert witness at hearings, and to work with the regulated industry.

It is estimated any additional FTEs needed would be absorbed by current air conditioning program staff within TDLR.

TDLR estimates additional TexasOnline fees of \$5 for each new and renewal license application through the internet (\$110,000 in fiscal year 2006 and \$115,000 in fiscal year 2007).

TDLR estimates the following changes to its performance measures:

The Number of New Licenses Issued to Individuals will increase 22,000 in fiscal year 2006 and 9,000 in subsequent years.

The Number of Licenses Renewed (individuals) will increase by 14,000 in fiscal year 2007 and subsequent years.

The Number of Administrative Hearings will increase by 60 in fiscal year 2006 and 55 in subsequent years.

Technology

It is estimated TDLR would need \$31,500 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, DE