

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 11, 2007

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

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

IN RE: HB463 by Flores (Relating to the regulation of air conditioning and refrigeration contracting; providing an administrative penalty.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB463, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2009.

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
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Revenue Gain from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Change in Number of State Employees from FY 2007
2008	(\$755,576)	\$755,576	12.0
2009	(\$683,310)	\$683,310	12.0
2010	(\$683,865)	\$683,865	12.0
2011	(\$684,188)	\$684,188	12.0
2012	(\$684,070)	\$684,070	12.0

Fiscal Analysis

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation (TDLR) the authority to register air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians and would allow TDLR the authority to provide temporary registrations. The bill would allow TDLR to impose an administrative penalty for certain violations.

The provisions of the bill require 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, 2007. Sections 1302.062,

1302.501 and 1302.503, Occupations Code, take effect June 30, 2008.

Methodology

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes that 34,920 air conditioning and refrigeration technicians would choose to register with TDLR and an additional 1,080 would choose to be registered as certified air conditioning and refrigeration technicians.

It is estimated that TDLR would have a cost associated with registering air conditioning and refrigeration technicians and certified air conditioning and refrigeration technicians. Based on the analysis of TDLR, it is assumed that registering these technicians and regulating this industry would necessitate additional resources at a cost of \$1,438,886 through 2009.

TDLR also estimates costs for staff of \$390,540 for 12.0 FTEs in FY08 through FY12. Other operating expenses, travel, equipment, rent - building, and consumable supplies are estimated at \$254,552 in FY08, \$182,286 in FY09, \$182,841 in FY10, \$183,164 in FY11, and \$183,046 in FY12. Estimated costs also include \$110,484 in FY08 through FY12 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

Technology

There would be a technology cost to the Department of Licensing and Regulation of \$30,966 in fiscal year 2008, \$1,900 in fiscal year 2009, \$2,455 in fiscal year 2010, \$2,778 in fiscal year 2011, and \$2,660 in fiscal year 2012.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Department of Licensing and Regulation

LBB Staff: JOB, CL, JRO, MW, AH