

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 26, 2007**

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

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

**IN RE: HB1281** by Bailey (relating to the licensing and regulation of certain journeyman and apprentice sheet metal workers.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1281, Committee Report 1st 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 Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1
2008	\$1,399,475	(\$1,399,475)
2009	\$903,480	(\$903,480)
2010	\$905,639	(\$905,639)
2011	\$906,167	(\$906,167)
2012	\$905,972	(\$905,972)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	14.5
2009	14.5
2010	14.5
2011	14.5
2012	14.5

**Fiscal Analysis**

The bill would amend the Occupations Code to provide the Department of Licensing and Regulation

(TDLR) the authority to provide journeyman and apprentice licenses to sheet metal workers. 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 journeyman license and apprentice license.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2007.

### **Methodology**

Based on information provided by the Department of Licensing and Regulation (TDLR), this analysis assumes a licensing population of 7,500 journeyman sheet metal workers and 7,500 apprentice sheet metal workers.

It is estimated that TDLR would have a cost associated with licensing the journeyman and apprentice sheet metal workers. Based on the analysis of TDLR, it is assumed that licensing these sheet metal workers would necessitate additional resources at a cost of \$2,302,955 through fiscal year 2009. TDLR assumes that 30 percent of sheet metal workers taking the examination for the journeyman sheet metal license would not pass the first time and an additional 50 percent of these sheet metal workers would not pass the exam the second time, and would therefore apply to be licensed as apprentice sheet metal workers. This analysis assumes that this would result in an additional cost of \$489,375 in fiscal year 2008.

Based on the analysis of TDLR, it is estimated that costs for staff would be \$517,884 for 14.5 FTEs each fiscal year from 2008 through fiscal year 2012. Other operating expenses, travel, equipment, rent - building, and consumable supplies are estimated at \$881,591 in fiscal year 2008, \$385,596 in fiscal year 2009, \$387,755 in fiscal year 2010, \$388,283 in fiscal year 2011, and \$388,088 in fiscal year 2012. Estimated costs also include \$146,509 in each fiscal year from 2008 through fiscal year 2012 for associated benefits.

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

### **Technology**

It is assumed that there would be a technology cost to the TDLR of \$39,447 in fiscal year 2008, \$3,152 in fiscal year 2009, \$4,061 in fiscal year 2010, \$4,589 in fiscal year 2011, and \$4,394 in fiscal year 2012 for computers.

### **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, AH