

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 8, 2009

TO: Honorable Edmund Kuempel, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HB1807 by Giddings (relating to regulation of cranes and registration and regulation of crane operators; providing penalties.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1807, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2011.

This 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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/ (Loss) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$346,415)	\$346,415	5.0
2011	(\$308,214)	\$308,214	5.0
2012	(\$308,150)	\$308,150	5.0
2013	(\$307,951)	\$307,951	5.0
2014	(\$307,771)	\$307,771	5.0

Fiscal Analysis

The bill would add Chapter 1306 to the Occupations Code and require the Texas Department of Licensing and Regulation (TDLR) to register crane operators. The bill would establish the definition of crane. The bill would require TDLR to establish a Crane Operator Safety Advisory Board to provide advice and recommendations to TDLR on technical matters relevant to administration and enforcement of crane operator regulation. The bill would establish registration eligibility requirements, crane operation and inspection requirements, and periodic drug and alcohol testing for registered crane operators. The bill would also establish administrative penalties, civil penalties, and disciplinary actions necessary for enforcement.

The bill would authorize TDLR to impose administrative penalties and to issue cease and desist orders. The bill would also authorize the Office of the Attorney General (OAG) to seek injunctive relief to restrain violations or threatened violations of Chapter 1306 of the Occupations Code and to sue to collect civil penalties.

The bill would take effect September 1, 2009. The registration requirement for crane operators would take effect September 1, 2010, and a crane would not be required to be registered until September 1, 2011.

Methodology

Based on the analysis of TDLR, there are 900 non-mobile tower crane operators in the state that would require registration. The agency estimates conducting 300 crane inspections annually. While the bill would authorize TDLR to use third-party crane inspectors, the agency anticipates using in-house, trained inspectors.

Based on information provided by TDLR, it is assumed that 5.0 additional FTEs would be necessary to implement the provisions of the bill, including 1.0 administrative assistant for crane operator registration, 3.0 inspectors for conducting crane inspections across the state, and 1.0 program specialist to establish and operate a crane inspection program, supervise inspections, and inspect any accident sites. This analysis assumes the costs would be \$346,415 in 2010, \$308,214 in 2011, \$308,151 in 2012, \$307,951 in 2013, and \$307,771 in 2014. Operating costs would include Data Center Services costs, TexasOnline fees, DPS criminal background check fees, license cards, and imaging costs. Total costs would also include rent for FTEs not located in state owned buildings and one-time computer purchase and equipment costs.

This analysis assumes that any increased costs to the agency, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee generated revenue.

Based on information provided by the Office of the Attorney General, it is assumed that any legal work resulting from the passage of the bill could be reasonably absorbed within current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 452 Department of Licensing and Regulation

LBB Staff: JOB, ES, JRO, MW