

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 31, 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 registration and regulation of crane operators, signalpersons, and riggers; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1807, As Introduced: 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	(\$2,307,005)	\$2,307,005	27.5
2011	(\$1,989,997)	\$1,989,997	27.5
2012	(\$1,991,164)	\$1,991,164	27.5
2013	(\$1,990,300)	\$1,990,300	27.5
2014	(\$1,989,190)	\$1,989,190	27.5

Fiscal Analysis

The bill would add Chapter 1306 to the Occupations Code and require the Texas Department of Licensing and Regulation (TDLR) to register and regulate crane inspectors, crane operators, riggers and signalpersons. The bill would establish registration eligibility requirements, crane operation, inspection, and record keeping requirements, and administrative penalties, civil penalties, and disciplinary actions necessary for enforcement. The bill would require TDLR to adopt rules to administer the registration and regulation of crane inspectors, operators, riggers and signalpersons.

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 collect civil penalties.

The bill would take effect September 1, 2009. The license requirement for crane operators would take effect January 1, 2010, and TDLR would be required to adopt rules to implement the provisions of the bill by November 1, 2009.

Methodology

The analysis of TDLR assumes the broadest definition of crane operator since the bill does not specify licensing for any particular industry, crane size or weight capacity. Based on this assumption, TDLR estimates it would register 72,000 applicants: 54,000 crane operators, 13,500 signalpersons, and 4,500 riggers. TDLR anticipates 80 percent of the population would apply for a certificate of registration in 2010.

TDLR anticipates receiving 1,000 complaints annually and holding 20 administrative hearings annually.

Based on information provided by TDLR, it is assumed that 27.5 additional FTEs would be necessary to implement the provisions of the bill, including 13.5 administrative assistants, 7.0 customer service representatives, 2.0 legal assistants, 1.0 investigator, 1.0 attorney, 1.0 program specialist, 1.0 accountant, 0.5 programmer and 0.5 network specialist. This analysis assumes the costs would be \$2,307,005 in 2010, \$1,989,997 in 2011, \$1,991,164 in 2012, \$1,990,300 in 2013, and \$1,989,190 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 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, JRO, MW, ES