

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 7, 2009**

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

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

**IN RE: HB2600** by Thompson (Relating to the licensing and regulation of certain journeyman and apprentice sheet metal workers.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2600, 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	(\$768,528)	\$768,528	11.0
2011	(\$670,556)	\$670,556	11.0
2012	(\$670,393)	\$670,393	11.0
2013	(\$669,858)	\$669,858	11.0
2014	(\$669,337)	\$669,337	11.0

**Fiscal Analysis**

The bill would require the Texas Department of Licensing and Regulation (TDLR) to issue licenses to eligible sheet metal workers, journeymen, and apprentices. The bill would establish application eligibility, criminal history background check requirements, examination requirements, continuing education requirements, and license and renewal terms. TDLR would be required to accept, develop, or contract for an examination, including the administration of the examination, and to enforce license requirements.

The bill would take effect September 1, 2009. The requirement to hold a license to perform sheet metal work would take effect September 1, 2010.

## **Methodology**

TDLR estimates that 4,500 journeymen and 10,500 apprentices would apply for sheet metal work licensure. These applicants would be required to undergo a criminal history background check, to provide proof of the required work experience, and to pass the prerequisite licensure examination. According to TDLR's estimates, 3,600 applicants would take the required exam in the first year, 1,350 would take the exam in the second year, and 525 applicants would take the exam in subsequent years. TLDR anticipates receiving 500 complaints in the second year of the license requirement, and 200 complaints annually in subsequent years, resulting in 20 annual administrative hearings.

Based on information provided by TDLR, it is assumed that an additional 11.0 FTEs would be needed to process the new application population and for enforcement purposes, including: 5.0 administrative assistants, 1.5 customer representatives, 0.5 program specialist, 2.0 legal assistants, 1.5 investigator, and 0.5 attorney. TDLR also estimates other costs to include Data Center Services, license card production, criminal background check, imaging, and exam development and maintenance 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.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 452 Department of Licensing and Regulation

**LBB Staff:** JOB, JRO, MW, ES