

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 11, 2011

TO: Honorable John Carona, Chair, Senate Committee on Business & Commerce

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

IN RE: SB1274 by Williams (Relating to the registration of roofing contractors; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1274, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.

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
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$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 2011
2012	(\$396,773)	\$396,773	5.0
2013	(\$396,773)	\$396,773	5.0
2014	(\$396,773)	\$396,773	5.0
2015	(\$396,773)	\$396,773	5.0
2016	(\$396,773)	\$396,773	5.0

Fiscal Analysis

The bill would amend the Occupations Code to require the Texas Department of Licensing and Regulation (TDLR) to license and regulate Roofing Contractors. The bill would require TDLR to establish eligibility requirements on each roofing contractor.

The bill has the following effective dates: The bill would take effect September 1, 2011, Section 1307.101 and Subchapters D & E would take effect September 1, 2012 and Rules and forms must be adopted by no later than March 31, 2012.

Methodology

Information and estimates provided by the Department of Licensing and Regulation were used as the basis of developing this analysis. Based on information provided by TDLR, the estimated population of roofing contractors is 4,500 and fees would be collected by the department and deposited into General Revenue. TDLR anticipates receiving 325 complaints each year resulting in 12 hearings each year. Also based on the analysis of TDLR, it is assumed that an additional 5.0 FTEs would be required to license, regulate and enforce the provisions of the bill. This would include: 2.0 License and Permit Specialists III – administrative support; 0.5 Legal Assistant II – to review incoming complaints to determine if an investigation has occurred and for completeness and obtain missing information, maintain tracking system for complaints, open complaints, respond to complaints not opened with explanation of why they are not opened. They will work with jurisdictional and non jurisdictional complaints; 0.5 Administrative Assistant III – to perform administrative support or technical program assistance work; 0.5 Investigator IV – to perform investigative work; 0.5 Attorney IV – to investigate complaints, review complaints to ensure jurisdiction and violations, prepare and mail opening letters, interview respondents, complainants and collateral witnesses and analyze their responses, search databases, and prepare written investigative reports; 1.0 General Counsel III – for interpreting laws and regulations, preparing legal documents, rendering legal advice and counsel, consulting with attorneys, assisting in preparing cases for trial, and drafting bills for legislative consideration, to administer this chapter under the direction of the department and to provide technical expertise to the public, the advisory board, TDLR personnel, and the licensed population.

In addition to salary and benefit costs in the amount of \$337,013 each year, it is assumed that the agency would incur other costs of \$13,500 each year in rent for space for the additional FTEs, \$7,500 in Other Operating Expenses each year, \$3,625 in Travel each year, \$30,635 in Equipment in fiscal year 2012, \$12,635 in Computer Technology Equipment in fiscal year 2012 and \$4,500 in Other Costs each fiscal year. Since TDLR is statutorily required to cover the cost of its operations with fee generated revenue, it is assumed that the agency would adjust fees as necessary to cover all costs associated with implementing the provisions of the bill.

Local Government Impact

No significant 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, AG, MW, CWS