

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**March 11, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB311** by Carona (Relating to the licensing and regulation of roofing contractors; authorizing a fee and providing penalties.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB311, As Introduced: an impact of \$0 through the biennium ending August 31, 2015.

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
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$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 2013
2014	(\$413,088)	\$413,088	5.0
2015	(\$371,318)	\$371,318	5.0
2016	(\$371,318)	\$371,318	5.0
2017	(\$371,318)	\$371,318	5.0
2018	(\$371,318)	\$371,318	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 establish requirements and duties necessary to regulate roofing contractors. The bill would require rules to be adopted by February 1, 2014. The bill would allow roofing contractors with at least 10 years of experience performing roofing services who apply no later than June 1, 2014, pay the required fee, and provide necessary documentation under the provisions of the bill to obtain a license without examination.

The bill would create a Roofing Contractors Advisory Board and clarifies that Chapter 2110, Government Code, would not apply to the composition or duration of the board. The bill would allow TDLR to obtain criminal history information for individuals licensed under the provisions of the bill and would allow TDLR to establish application fees for licensees. The bill would also allow TDLR to impose administrative penalties for certain violations under the requirements of the bill and establish a Class C misdemeanor for performing roofing services without a license.

The bill would take effect September 1, 2013 except for subchapters E and F of the bill which would take effect September 1, 2014.

## **Methodology**

Information and estimates provided by TDLR were used as the basis of developing this analysis. Based on information provided by TDLR, the estimated population of roofing contractors is 4,500. Fees would be collected by the department and deposited into General Revenue. TDLR anticipates receiving 386 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, for completeness and to obtain missing information, maintain tracking system for complaints, open complaints, and respond to complaints not opened with an explanation of why they are not opened. The agency would work with jurisdictional and non jurisdictional complaints; 0.5 Investigator IV – to perform investigative work to 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; 0.5 Attorney IV – to investigate complaints, direct and plan legal activities, oversee the preparation of legal documents, oversee various hearings, interpret laws and regulations, and render legal advice and counsel; 0.5 Administrative Assistant III – to perform administrative support or technical program assistance work; 1.0 General Counsel III – to interpret laws and regulations, prepare legal documents, render legal advice and counsel, consult with attorneys, assist in preparing cases for trial, draft bills for legislative consideration, 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 \$263,580 each year, it is assumed that the agency would incur other costs of \$13,725 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 2014, \$12,635 in Computer Technology Equipment in fiscal year 2014 and \$3,000 in Other Costs in Fiscal Year 2014 and \$4,500 in subsequent years. 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.

Based on the information provided by the Office of the Attorney General and the Comptroller of Public Accounts, this analysis assumes that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

### **Local Government Impact**

The bill creates a Class C Misdemeanor. A Class C misdemeanor is punishable by a fine of not more than \$500. Costs associated with enforcement and prosecution could likely be absorbed within existing resources. Increased revenue from new fines imposed and collected is not anticipated to have a significant fiscal impact.

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

**LBB Staff:** UP, RB, MW, CWS, KKR