

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 5, 2021

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB636 by Thompson, Senfronia (Relating to the continuation and functions of the Texas State Board of Plumbing Examiners; authorizing a fee.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB636, As Engrossed : an impact of \$0 through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Revenue Gain/(Loss) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$153,318)	\$153,318	3.0
2023	(\$145,518)	\$145,518	3.0
2024	(\$97,012)	\$97,012	2.0
2025	(\$97,012)	\$97,012	2.0
2026	(\$97,012)	\$97,012	2.0

Fiscal Analysis

The bill would amend various sections of Chapter 1301, Occupations Code regarding plumbers. The bill would extend the existence of the Texas State Board of Plumbing Examiners (TSBPE) through September 1, 2027, in accordance with the Texas Sunset Act.

The bill would amend the Occupations Code relating to the requirements to obtain a tradesman plumber-limited license. The bill would waive the apprenticeship registration and tradesman plumber-limited license fees for certain individuals. The bill would create a career and technology education program for tradesman plumber-limited license.

The bill would require the TSBPE to obtain fingerprint background checks for all applicants and licensees.

The bill would allow TSBPE to issue a temporary license to an applicant that meets prescribed requirements, including payment of a fee set by the board. A temporary license would expire on the 30th day after the date of issuance and could not be renewed.

Unless the bill receives the requisite two-thirds majority votes in both houses of the Legislature to take effect immediately, it would take effect September 1, 2021. The Governor's Executive Order No. GA-06 suspends the Sunset provision of the Plumbing License Law and authorizes the agency to continue operations through May 31, 2021. There is a potential gap in statutory authority for the state to enforce the Plumbing License Law if the bill does not take effect until September 1, 2021.

Methodology

The number of students that may take advantage of eligible career and technology coursework that would enable them to take an examination for a tradesman plumber-limited license without registering as a plumber's apprentice or paying an examination fee is unknown. The number of instructors that would teach eligible courses to enable them to renew their licenses without paying any fees is also unknown; therefore, the fiscal impact related to these provisions cannot be determined.

TSBPE has been implementing fingerprint background checks for certain licenses by rule since December 1, 2019 and will eventually require all licensees and registrants to obtain a fingerprint background check. Applicants are currently responsible for paying all fees associated with the criminal background fingerprinting process directly to the Department of Public Safety or its designated third-party fingerprinting processing vendor. Given that fingerprint background checks are currently required, the bill's provisions would not increase revenue collections for the state.

The bill would require the agency to review criminal history records based on name, date of birth, and other alphanumeric identifiers for all existing license holders by September 1, 2023. The bill would require the agency to review criminal history record information using a person's fingerprints for all existing license holders by September 1, 2025. According to new information provided by TSBPE, this analysis assumes the agency would require three additional full-time equivalent (3.0 FTE) positions to process the fingerprint and criminal history results received from the agency's approximately 74,800 licensees, of which about 56 percent have some sort of result that must be further reviewed in a criminal history file. The three FTEs would receive the criminal history files directly from the Texas Department of Public Safety or the Federal Bureau of Investigations, match them with license applications, and review them. The three FTEs would result in a cost of \$153,318 from General Revenue in fiscal year 2022 and then \$145,518 from General Revenue in fiscal year 2023. The agency anticipates workload related to fingerprint background checks to even out by fiscal year 2024 and reports it would only need two FTEs for this purpose in fiscal year 2024 and beyond at an annual cost of \$97,012 from the General Revenue Fund.

Fees for the issuance of a temporary license as well as the number of applications are unknown but revenue collected for this purpose is not anticipated to be significant.

This analysis assumes that any increased cost to TSBPE, 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: 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts, 456 Board of Plumbing Examiners

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