

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 16, 2021

TO: Honorable Senfronia Thompson, Chair, House Committee on Licensing & Administrative Procedures

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1485 by Turner, Chris (Relating to the regulation of elevator mechanics and contractors; requiring an occupational registration.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1485, As Introduced : a positive impact of \$30,531 through the biennium ending August 31, 2023.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	\$29,283
2023	\$1,248
2024	\$1,248
2025	\$1,248
2026	\$1,248

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Probable Revenue Gain from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$43,217)	\$72,500	1.0
2023	(\$71,252)	\$72,500	1.0
2024	(\$71,252)	\$72,500	1.0
2025	(\$71,252)	\$72,500	1.0
2026	(\$71,252)	\$72,500	1.0

Fiscal Analysis

The bill would amend the statute for Elevators, Escalators, and Related Equipment in the Health and Safety Code.

The bill would amend the definition for “Contractor” to mean a contractor is a person in the business of installation, alteration, testing, repair, or maintenance of equipment and would add a definition for “Elevator mechanic.”

The bill would prohibit an individual from erecting, constructing, installing, altering, servicing, repairing, or maintaining statutorily-named equipment unless the individual is registered as an elevator mechanic with the Texas Department of Licensing and Regulation (TDLR), or is employed by a registered contractor and is supervised by a registered elevator mechanic.

The bill would require an applicant for an elevator mechanic registration to submit an application in the form and manner prescribed by TDLR. The bill would require a renewal applicant to submit with the application proof of completion of continuing education related to the erection, construction, installation, alteration, servicing, repair, or maintenance of equipment in accordance with Texas Commission of Licensing and Regulation rule.

The bill would amend the requirement for a person to hold a contractor registration to stipulate a person may not be engaged in “the business of” installing, altering, testing, repairing, or maintaining equipment without registering as a contractor with TDLR.

The bill would require that an individual is registered with TDLR as an elevator mechanic beginning June 1, 2022.

Methodology

TDLR reports that according to the U.S Bureau of Labor Statistics there have been approximately 2,900 elevator mechanics in Texas the past three years. Based on information provided by TDLR, this analysis assumes the agency would need a part-time License and Permit Specialist III to evaluate applications to ensure applicants meet the qualifications required for an initial license and to review renewal applications to confirm all requirements, including continuing education requirements, are met at renewal to implement the provisions of the bill. As the bill requires elevator mechanics become licensed beginning June 1, 2022, the needed staff would start in March 2022 to begin training. The License and Permit Specialist III would cost \$17,856 in General Revenue Funds for salary, benefits, and a one-time expense for a computer and related equipment in fiscal year 2022 and \$28,973 in salary and benefits in subsequent fiscal years.

Based on information provided by TDLR, this analysis assumes the agency would need a part-time Program Specialist IV to assist the Chief Elevator Inspector in providing the new license holders with outreach and answers about compliance and assist with checking the mechanics to ensure they follow elevator laws and rules, as well as building and safety code requirements. The program specialist would also assist with TDLR's acceptance of additional mechanic training and apprenticeship programs, and the review and approval of continuing education courses. The Program Specialist IV would cost \$25,340 in General Revenue for salary, benefits, and a one-time expense for a computer and related equipment in fiscal year 2022 and \$42,280 in salary and benefits in subsequent fiscal years.

The agency indicates the new license type could be incorporated into the licensing system for the Elevators program within existing resources.

According to TDLR, the fee for a new elevator mechanic license would be \$25 and the fee for a renewal license would be the same. This analysis assumes implementing the provisions of the bill would result in a revenue gain of \$72,500 to the General Revenue Fund per fiscal year.

This analysis assumes that any increased cost to TDLR, 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: 452 Dept of License & Reg

LBB Staff: JMc, SZ, MB, DFR