

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 21, 2023

TO: Honorable Ken King, Chair, House Committee on Licensing & Administrative Procedures

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3407 by Spiller (Relating to requiring commercial automobile insurance for responsible master plumbers.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3407, As Introduced : an impact of \$0 through the biennium ending August 31, 2025.

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>
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$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 2023</i>
2024	(\$101,353)	\$101,353	1.0
2025	(\$63,172)	\$63,172	1.0
2026	(\$63,489)	\$63,489	1.0
2027	(\$63,815)	\$63,815	1.0
2028	(\$64,151)	\$64,151	1.0

Fiscal Analysis

The bill would require licensees of the Texas State Board of Plumbing Examiners (TSBPE) to provide a certificate of commercial automobile insurance before working as a responsible master plumber. The certificate must be from an insurer authorized to engage in the business of insurance in the state, that provides liability coverage for a claim for property damage or bodily injury or death of not less than \$500,000 per incident.

Methodology

Based on the analysis of the TSBPE, this estimate assumes that additional staffing would be needed to implement the provisions of the bill. A Customer Service Representative III FTE (annual salary of \$35,976 with estimate benefits of \$11,451) would be needed to notify plumbers of the additional requirement, track compliance, and catalog insurance information of all licensees. This FTE will have a total annual cost of \$58,494 with a one-time start of cost of \$21,950 in fiscal year 2024.

This analysis assumes that any increased cost to TSBPE associated with the bill would be offset by an increase in fee-generated revenue because TSBPE is statutorily required to generate sufficient revenue to cover its costs of operation.

Technology

The estimate assumes that implementing the provisions of the bill would require an update to the agency's VERSA database to track automobile insurance policies and flag expired policies to notify licensees. This update would cost \$20,910 in fiscal year 2024.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 456 Board of Plumbing Examiners

LBB Staff: JMc, SZ, GDZ, BFa