

FISCAL NOTE

Bill #: HB0230

Title: Revise boiler licensing laws

**Primary
Sponsor:** William Price

Status: As Introduced

Sponsor signature Date

Chuck Swysgood, Budget Director Date

Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:		
State Special Revenue	(\$1,305)	(\$1,305)
Revenue:		
State Special Revenue	(\$22,000)	(\$22,000)
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

Department of Commerce:

Building Codes Division – boiler inspections:

1. Approximately 6,195 operating certificates were issued in FY 2000, with 2,402 of the 6,195 being inspected by state boiler inspectors. Assuming 50% of all boilers inspected to be less than 400,000 Btu/hr input, HB 230 would reduce the number of boiler inspections performed by state boiler inspectors to approximately 1,800 annually, with a projected 30% of the total being a “multiple boilers in the same room” situation.

2. Some boilers will need to be inspected initially on an interval of less than two years in order to adjust the workload to allow inspection of boilers less than 400,000 Btu/hr input on a schedule of every two years. In addition, the enforcement provisions in Section 3 of HB 230 will require additional inspections for verification of compliance with boiler safety standards set forth in 50-74-101, MCA.
3. It is projected that revenues generated from the additional inspections required in Section 3 of HB 230, along with the inspection of boilers not presently on the inspection system, and the inspection of overdue insured boilers would offset any projected loss of revenue from the changes proposed in HB230.

Professional & Occupational Licensing Division (POL) – boiler licensing:

1. There would be a reduction of \$22,000 in revenues for licensing fees in both FY 2002 and FY 2003. It is estimated that of the 1,900 currently licensed low pressure boiler engineers, 1,000 would not be required to have a license because they operate hot water boilers. Renewal fees are \$20 for a reduction in renewal revenue of \$20,000 (1,000 * \$20). Each year approximately 50 new licenses to operate hot water boilers are issued. The fee for a new license is \$40 for a reduction in new licensee revenue of \$2,000 (50 * \$40).
2. It is anticipated that the reduction in the number of boiler licensees would not significantly impact the workload of staff. The reduction reflects an 18% reduction in the number of total licensees for a program that also administers construction blaster licensing, crane and hoist operator licensing, and boiler engineer licensing. The total number of licensees for the program is 5,500.
3. Operating expenses would be reduced in the amount of \$1,350 in both FY 2002 and FY 2003. The operating costs include postage and printing costs.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
<u>Expenditures:</u>		
Operating Expenses	(\$1,350)	(\$1,350)
<u>Funding:</u>		
State Special Revenue (02)	(\$1,350)	(\$1,350)
<u>Revenues:</u>		
State Special Revenue (02)	(\$22,000)	(\$22,000)
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	(\$20,650)	(\$20,650)

LONG-RANGE IMPACTS:

The fees for the other licensing categories might need to be raised to mitigate the reduction in revenues at some point in the future.