



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill # SB0475

Title: Require licensure for scaffold erectors

Primary Sponsor: Larson, Lane L

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$49,280	\$64,440	\$37,046	\$37,872
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$48,000	\$24,000	\$40,600	\$600
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

The fiscal impact will be the cost to set up a licensing program for scaffold erectors.

FISCAL ANALYSIS

Assumptions:

Department of Labor and Industry (DoLI)

1. The department would adopt administrative rules associated with SB 475. Publishing and printing costs associated with the adoption of administrative rules are estimated at \$1,640 (20 MAR pages @ \$50 each, \$250 for a court reporter for the hearing, and \$390 for printing and mailing costs) in FY 2008.
2. Development of applications and renewal forms, printing costs, website updating, and development and database costs are estimated at \$3,000 each year of the biennium.
3. Because this is a new licensure category, the department will need to provide public education to notify those requiring licensure. Cost for pamphlets and outreach estimated at \$1,000 each year of the biennium.

4. Supplies, communications, legal services, indirect overhead charges, and other office expenditures are estimated at \$31,000 in FY 2008 and \$32,240 in FY 2009. In FY 2010 and FY 2011 an inflationary factor of 2.5% was applied.
5. Because this is a start up licensing program, contracted services will be used until the department can determine if an additional FTE is warranted. (\$12,640 in FY 2008, \$28,200 in FY 2009)
6. The department is unable to obtain data on the number of prospective licensees. For purposes of this fiscal note, the department is using data from a local contractor union. Based on this information, the department estimates that the number of licensees may eventually be as high as 600.
7. The department will set the initial licensure fee at \$120.
8. It is estimated that 400 individuals will be licensed in FY 2008 (400 * \$120 = \$48,000).
9. It is estimated an additional 200 individuals will become licensed in FY 2009 (200 * \$120 = \$24,000)
10. The biennial license renewal fee will be \$80. It is estimated that 500 will renew in FY 2010 & FY 2012 (500 * \$80 = \$40,000). If more than 500 individuals renew, the fees will be reduced in subsequent years to reflect the requirement of setting fees commensurate with program costs.
11. The department expects 5 new licensees per year in FY 2010 & FY 2011. (\$600 revenue per year)
12. Licensees licensed in FY 2008 will renew in FY 2009 and FY 2011.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
Department of Labor and Industry				
<u>Expenditures:</u>				
Operating Expenses	\$49,280	\$64,440	\$37,046	\$37,872
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$49,280	\$64,440	\$37,046	\$37,872
<u>Revenues:</u>				
State Special Revenue (02)	\$48,000	\$24,000	\$40,600	\$600
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	(\$1,280)	(\$40,440)	\$3,554	(\$37,272)

Technical Notes:

1. The department does not license contractors, and is uncertain as to who will prosecute those contractors who unknowingly hire unlicensed contractors.
2. Unless there is an amendment to 37-1-401(5) to include this bill as something that falls under the professional and occupational licensing programs, the department won't have the usual licensing authority granted under Title 37, chapter 1, parts 2 and 4.

Sponsor's Initials

Date

Budget Director's Initials

Date