



**Fiscal Estimate Narratives**  
**COMM 8/9/2007**

LRB Number <b>07-2046/1</b>	Introduction Number <b>SB-194</b>	Estimate Type <b>Updated</b>
<b>Description</b> The licensing and regulation of thermal system insulation and fire-stop product mechanics and contractors; creating a thermal system insulation and fire-stop council; requiring the employment of a state inspector; establishing standards for installing, removing, and maintaining thermal system insulation and fire-stop products; requiring the exercise of rule-making authority; and providing a penalty		

**Assumptions Used in Arriving at Fiscal Estimate**

2007 SB 194 contains provisions related to thermal system insulation and fire-stop products. Specifically, the legislation does the following:

1. requires the licensure of contractors and mechanics who install, remove, and maintain such materials;
2. establishes a thermal system insulation and fire-stop council;
3. provides 1.0 FTE GPR position for a state thermal insulation inspector;
4. requires the promulgation of rules regarding licensure and standards for the installation/removal/maintenance of thermal system insulation and fire-stop products in buildings.

The Department estimates that the licensing requirements would result in 6,000 mechanics licenses and 2,000 contractor licenses, resulting in .5 FTE and \$26,200 in associated costs. Note that the Department estimates a large number of these credentials due to the possible inclusion of plumbers, electricians and other trades that currently do work that involves thermal system insulation and fire-stop products.

2007 SB 194 specifies minimum fees for the contractor and mechanic licenses (\$250). Using this amount, the Department estimates \$1,000,000 in annualized revenue.

The Department also estimates that .2 FTE (or 300 hours) and \$26,500 in associated one-time costs would be needed for staff time to accomplish administrative rule promulgation.

2007 SB 194 provides for 1.0 FTE GPR position. This position would serve as a state-wide inspector for thermal system insulation and fire-stop products installations. The Department estimates \$78,100 in annual costs associated with this position. Please see Technical Note regarding that 2007 SB 194 provides for no spending authority for the position.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b> \$26,500 for costs associated with rule promulgation.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$79,700		\$0
(FTE Position Changes)	(1.5 FTE)		(0.0 FTE)
State Operations - Other Costs	24,600		0
Local Assistance	0		0
Aids to Individuals or Organizations	0		0
<b>TOTAL State Costs by Category</b>	<b>\$104,300</b>		<b>\$0</b>
<b>B. State Costs by Source of Funds</b>			
GPR	78,100		
FED			
PRO/PRS (PRO)	26,200		
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$0		\$0
GPR Earned	0		0
FED	0		0
PRO/PRS (PRO)	1,000,000		0
SEG/SEG-S	0		0
<b>TOTAL State Revenues</b>	<b>\$1,000,000</b>		<b>\$0</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$104,300		\$0
NET CHANGE IN REVENUE	\$1,000,000		\$0
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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