

Fiscal Estimate Narratives

COMM 8/2/2007

LRB Number	07-2142/1	Introduction Number	SB-228	Estimate Type	Original
Description The regulation of construction contractors and subcontractors, granting rule-making authority, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

2007 SB 228 would require the registration of individuals who act as building construction contractors or subcontractors. The types of contractors who would be required to register include (but are not limited to): painters, roofers, insulators, masons, carpenters, scaffold erectors, tilers, cabinets installers, countertop installers, and floor covering installers.

Currently, the Department licenses or registers contractors who construct residential dwellings. 2007 SB 228 would require the licensing of individuals who act as building contractors or subcontractors in residential and commercial property, and would include many additional categories of contractors to be licensed.

The Department estimates that the number of contractors or subcontractors to be licensed would be 40,000. The Department estimates that .50 FTE support staff would be needed to process the 40,000 registrations and payments (approximately 10,000 on an annualized basis) resulting from 2007 SB 228, and 1.0 FTE consultation/enforcement staff would also be needed. The costs associated with these 1.5 FTE positions would be \$115,900. Additionally, there would be one-time administrative rule development costs of \$26,500 associated with .2 FTE (300 hours), and one-time LTE costs of \$16,700 associated with .5 FTE LTE for one year to process the initial influx of registrations and payments. One-time costs of meeting the website-related provisions of 2007 SB 228 can be met within current resources.

The Department estimates that revenues resulting from 2007 SB 228 would amount to \$150,000 on an annualized basis.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-2142/1		Introduction Number SB-228	
Description The regulation of construction contractors and subcontractors, granting rule-making authority, and providing a penalty			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Total one-time costs of \$43,200 (\$26,500 for rule development; \$16,700 for registration/ payment processing LTE).			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$90,200	\$0
(FTE Position Changes)		(1.5 FTE)	(0.0 FTE)
State Operations - Other Costs		25,700	0
Local Assistance		0	0
Aids to Individuals or Organizations		0	0
TOTAL State Costs by Category		\$115,900	\$0
B. State Costs by Source of Funds			
GPR		0	0
FED		0	0
PRO/PRS (PR)		115,900	0
SEG/SEG-S		0	0
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$0	\$0
GPR Earned		0	0
FED		0	0
PRO/PRS (PR)		150,000	0
SEG/SEG-S		0	0
TOTAL State Revenues		\$150,000	\$0
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$115,900	\$0
NET CHANGE IN REVENUE		\$150,000	\$0
Agency/Prepared By		Authorized Signature	Date
COMM/ Debra Miller (608) 266-8603		Louie Cornelius (608) 266-8629	8/2/2007