

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-2564/1	Introduction Number AB-0388
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Description
 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

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Create New Appropriations	<input checked="" type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Decrease Costs
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Local:

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	s. 20.143 (3) (a), Stats., and s. 20.143 (3) (j), Stats.

Agency/Prepared By COMM/ Debra Miller (608) 266-8603	Authorized Signature Louie Cornelius (608) 266-8629	Date 6/22/2007
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Fiscal Estimate Narratives
COMM 6/22/2007

LRB Number 07-2564/1	Introduction Number AB-0388	Estimate Type Original
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Assumptions Used in Arriving at Fiscal Estimate

2007 AB 388 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 AB 388 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 AB 388 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 AB 388 provides for no spending authority for the position.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$26,500 in one-time costs for rule promulgation.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
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
TOTAL State Costs by Category	\$104,300		\$0
B. State Costs by Source of Funds			
GPR	78,100		0
FED	0		0
PRO/PRS (PRO)	26,200		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, etc.)			
	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
TOTAL State Revenues	\$1,000,000		\$0
NET ANNUALIZED FISCAL IMPACT			
	State		Local
NET CHANGE IN COSTS	\$104,300		\$0
NET CHANGE IN REVENUE	\$1,000,000		\$0
Agency/Prepared By		Authorized Signature	
COMM/ Debra Miller (608) 266-8603		Louie Cornelius (608) 266-8629	
		Date	
		6/22/2007	