



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: **HB 974** HLS 14RS 1312

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 8, 2014	1:36 PM	Author: PONTI
Dept./Agy.: State Plumbing Board		
Subject: Residential Plumbing License		Analyst: Anthony Truong

PLUMBERS

OR INCREASE SG RV See Note

Page 1 of 1

Creates a residential plumbing license

Purpose of Bill: This bill requires anyone performing residential plumbing work to possess a residential plumbing license, including plumbers that hold a journeymen or master plumber’s license. However, this bill authorizes any person holding a journeyman or master plumber’s license as of January 1, 2014 to engage in residential plumbing work without a residential plumber’s license until April 30, 2015.

In addition, this bill requires the State Plumbing Board to oversee the testing and licensing of residential plumbers, and authorizes the Board to impose fees related to these processes.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION
This bill may increase governmental expenditures depending on the number of plumbers that participate in the new licensing program.

An official with the State Plumbing Board indicated that Board expenditures may increase due to the licensing of residential plumbers, but the exact impact is difficult to determine due to a lack of data regarding the number of plumbers that will participate in the licensing program.

However, this official did provide expenditure impact estimates based on a possible 20% participation rate for plumbers in the first two fiscal years (200 applicants starting in fiscal year 2014-15) with a decrease in participation in later years. Based on this participation rate, the official estimated that Board personnel costs may increase by approximately \$25,000 due to increased staffing demands, and that the Board may incur other costs (e.g., developing tests).

REVENUE EXPLANATION
This bill may increase self-generated revenues depending on the number of plumbers that participate in the new licensing program.

An official with the State Plumbing Board indicated that Board revenues may increase due to the licensing of residential plumbers, but that the exact impact is difficult to determine due to a lack of data regarding the number of plumbers that will participate in the licensing program.

However, this official did provide revenue impact estimates based on a possible 20% participation rate for plumbers in the first two fiscal years (200 applicants starting in fiscal year 2014-15) with a decrease in participation in later years. Based on this participation rate, the official estimated that two of the six fees (\$75 examination fee and \$45 initial license fee) may generate approximately \$24,000 starting in fiscal year 2014-15. The initial increases may gradually decline in subsequent years.