

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 15, 2025

TO: Honorable Angie Chen Button, Chair, House Committee on Trade, Workforce & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3344 by Curry (Relating to the regulation of roofing contractors; providing an administrative penalty; authorizing a fee; creating a criminal offense; requiring an occupational license.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3344, As Introduced: a negative impact of (\$546,314) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	\$0
2027	(\$546,314)
2028	(\$536,314)
2029	(\$536,314)
2030	(\$536,314)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Revenue Gain/(Loss) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$854,361)	\$854,361	7.0
2027	(\$1,486,200)	\$939,886	13.5
2028	(\$1,476,200)	\$939,886	13.5
2029	(\$1,476,200)	\$939,886	13.5
2030	(\$1,476,200)	\$939,886	13.5

Fiscal Analysis

The bill would amend the Occupations Code to create new chapter regarding the licensing and regulation of roofing contractors. The bill would require the Texas Department of Licensing and Regulation (TDLR) to enforce and administer the chapter, requiring the agency to issue licenses, establish the roofing contractors advisory board, conduct examinations, assess fees, impose administrative penalties, investigate potential violations, and adopt necessary rules to administer the chapter.

The bill would take effect September 1, 2025, but requirements to hold a license and requirements for licensees take effect September 1, 2026.

Methodology

Based upon analysis provided by TDLR, this estimate assumes that the agency will require 9.5 additional full-time equivalent positions (FTEs) to fully implement the provisions of the bill once requirements for licensees take effect in fiscal year 2027. The agency anticipates needing 1.0 License and Permit Specialist FTE (\$46,000 each year with \$13,763 in estimated benefits) to process the additional amount of licenses, 1.0 Customer Service Representative FTE (\$48,000 each year \$14,361 in estimated benefits) to contact relevant companies and licensees regarding the new program, 0.5 Program Specialist FTE (\$30,450 each year with 9,110 in estimated benefits) to assist in the development and administration of the new examination, 1.0 Legal Assistant FTE (\$57,732 each year with \$17,273 in estimated benefits) for complaint intake and to review criminal histories and process the cases in the case management system, 1.0 Investigator FTE (\$60,270 each year with \$18,032 in estimated benefits) to collect necessary court documents for administrative cases and conduct inspections, 1.0 Attorney FTE (\$102,743 each year with \$30,740 in estimated benefits) to prosecute denial cases and complaint cases, 1.0 Legal Assistant FTE (64,890 each year with \$19,415 in estimated benefits) to support the attorney positions in cases, 1.0 Programmer FTE (\$100,618 each year with \$30,104 in estimated benefits) for the additional of the license type to the agency's databases, 1.0 Information Technology Business Analyst (\$75,609 each year with \$22,622 in estimated benefits) to assist in rulemaking, define program requirements, test changes and support business divisions, 0.5 Database Administrator (\$46,860 each year with \$14,020 in estimated benefits) to ensure the security and accuracy of the new program data, and 0.5 Program Manager FTE (\$45,132 each year with \$13,503 in estimated benefits) to oversee the modifications to the systems and the agency website. This estimate assumes a one-time cost of \$68,966 for equipment and onboarding of the new staff and an additional annual cost of \$52,639 for operating costs related to the new staff. In total, this estimate assumes an annual cost of \$939,886 to implement the provisions of the bill. This estimate assumes that some FTEs will not be employed for the full duration of fiscal year 2026 due to the requirements not yet being enforced, resulting in reduced costs and FTE amounts in the first year.

Based upon analysis provided by the Comptroller of Public Accounts and TDLR, the agency estimates a fee of \$132 for a one-year license and for renewal to generate sufficient revenue to cover the cost of implementing the program. Pursuant to the Texas Occupations Code, Section 51.202, TDLR shall set fees in amounts reasonable and necessary to cover the cost of administering their programs.

Based on analysis provided by the State Office of Administrative Hearings, the agency estimates an increase of 272 TDLR licensing and enforcement cases each fiscal year. Current standard licensing and regulation cases take an average of 14.7 Administrative Law Judge (ALJ) hours per case. Using the current average caseload hours and for an estimated 272 additional cases, SOAH estimates needing an additional 4,000 ALJ hours each year. The average number of case hours completed by an ALJ each year is 1,350 hours. Based on this amount, this estimate assumes SOAH would need an additional 3 ALJ FTEs (\$113,278 each year with \$33,893 in estimated benefits) and 1 Legal Secretary FTE (\$53,723 with \$16,073 in estimated benefits). This estimate assumes an annual cost of \$7,005 each fiscal year for operating expenses related to the new staff.

Technology

In addition to costs mentioned above, this estimate assumes an additional one-time cost for TDLR of \$80,000 to issue the change order to add roofing contractors to the TDLR licensing database, and a cost of \$6,000 each year for four additional licenses to the agency's case management system for the new enforcement-related staff.

In addition to costs mentioned above, this estimate assumes an additional startup costs for SOAH of \$10,000 for new laptops, equipment, and \$18,000 for software licenses in the first year of implementation. SOAH's technology costs of \$18,000 for software licenses would continue each year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 313 Department of Information Resources, 360 State Office of Administrative Hearings, 452 Department of Licensing and Regulation

LBB Staff: JMc, RStu, GDZ, BFa, KSi