

FISCAL NOTE
Requested by Legislative Council
01/19/2015

Bill/Resolution No.: SB 2278

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$475,000	\$0	\$475,000	\$0	\$475,000	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill adjusts licensing and renewal fees and provides the Secretary of State with the ability to deny a license or renewal under certain circumstances. The fiscal impact is in Section 3 of the bill.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact is in Section 3 of the bill. The fees related to contractor licensing and renewals have not changed since 1993, 22 years. With the dramatic increase in the number of licensees, the agency's operating budget has been impacted. For example, the number of licensed contractors has increased from 5,587 on June 30, 2003 to approximately 14,300 today.

Under current law, the renewal fee for a Class D license is \$10. That amount does not cover the cost of processing the renewal and filing the associated certificate of liability insurance forms for each contractor. This bill increases the renewal fee for this license class to \$40, which will cover the administrative functions of mailing, processing, filing, etc.

It is expected that the number of issued contractor licenses will stay at approximately this level for the foreseeable future.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Class A License (for projects in excess of \$250,000) proposed renewal fee = \$100

Estimated new revenue = \$263,000

Class B License (for projects up to \$250,000) proposed renewal fee = \$80

Estimated new revenue = \$53,000

Class C License (for projects up to \$120,000) proposed renewal fee = \$60

Estimated new revenue = \$45,000)

Class D License (for project up to \$50,000) proposed renewal fee = \$40
Estimated new revenue = \$114,000

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The expenditures for processing are already included in the agency's operating budget.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

None

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