

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 295 - SB 1190

February 17, 2019

SUMMARY OF BILL: Requires municipal, county, or state-employed electrical inspectors entering employment after January 1, 2020, to be certified with the State Fire Marshal (SFM) before beginning official duties. Establishes recertification standards for electrical inspectors employed or contracted by a municipality, a county, or the state prior to January 1, 2020.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

\$2,800/FY22-23 and Every Three Years Thereafter/State Fire Marshal
\$100/FY23-24 and Every Three Years Thereafter/State Fire Marshal
\$100/FY24-25 and Every Three Years Thereafter/State Fire Marshal

Assumptions:

- Currently, applicable electrical inspections are only performed by contracted deputy electrical inspectors (DEIs), who are not deemed employees of the state.
- Pursuant to Tenn. Code Ann. § 68-102-143(a)(2)(C), DEIs currently must possess a nationally recognized examination certification to be eligible for state contracted employment.
- The proposed legislation will require DEIs to receive certification from a nationally or internationally recognized certifying organization and provide such certification to the SFM, along with a fee, every three years.
- According to the Department of Commerce and Insurance (DCI), mechanical and plumbing inspectors currently pay a recertification fee of \$35.00.
- The proposed legislation subjects DEIs to the same recertification standards as plumbing and mechanical inspectors; it is presumed DEIs will be liable for the same recertification fee.
- According to a directory available on the DCI website, 76 DEIs are currently contracted across the state.
- It can reasonably be assumed that all listed DEIs will be employed on January 1, 2020.
- Pursuant to Tenn. Code Ann. § 68-102-143, contracted DEIs are not currently subject to any recertification requirements through the SFM.
- Due to the proposed legislation becoming effective on January 1, 2020, the SFM will not receive revenue from recertification fees until the existing 76 DEIs, contracted prior to January 1, 2020, are due for recertification beginning in FY22-23.

- At a recertification fee rate of \$35, SFM revenue will increase by \$2,660 (76 DEIs x \$35 fee) beginning in FY22-23, and every three years thereafter.
- It can reasonably be assumed that four new DEIs will be contracted annually.
- Newly employed DEIs during the calendar year of 2020 will increase state revenue by \$140 in FY22-23 (4 new DEIs x \$35 fee) and every three years thereafter; DEIs employed during the calendar year of 2021 will increase state revenue by \$140 in FY23-24 (4 new DEIs x \$35 fee) and every three years thereafter; and DEIs employed during the calendar year of 2022 will increase state revenue by \$140 in FY24-25 (4 new DEIs x \$35 fee) and every three years thereafter.
- The total increase in state revenue in FY22-23 and every three years thereafter will be \$2,800 (\$2,660 + \$140).
- The proposed legislation requires the SFM to establish training courses to be made available to employees with electrical responsibilities; it is estimated that any training for electrical employees can be accomplished within existing resources.

IMPACT TO COMMERCE:

Increase Business Expenditures –

\$2,800/FY22-23 and Every Three Years Thereafter

\$100/FY23-24 and Every Three Years Thereafter

\$100/FY24-25 and Every Three Years Thereafter

Assumptions:

- Either individual DEIs or the professional corporation employing a DEI will be liable for the recertification fee established by the proposed legislation.
- Business expenditures will increase by \$2,800 in FY22-23 and every three years thereafter; by \$140 in FY23-24 and every three years thereafter; and by \$140 in FY24-25 and every three years thereafter.
- Pursuant to Tenn. Code Ann. § 68-102-143(a)(2)(C), DEIs currently must possess a nationally recognized examination certification. It is presumed DEIs are already continuing recertification requirements through the chosen nationally recognized examination in order to remain eligible for state contracted employment.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/agr