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### FISCAL IMPACT REPORT

SPONSOR:	King	DATE TYPED:	02/15/00	HB	HM 18
SHORT TITLE:	Study Construction Industry Rules			SB	
				ANALYST:	Valdes

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		See Fiscal Implications			

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to NA

### SOURCES OF INFORMATION

LFC Files

Construction Industries Division (CID) - no response

Regulation and Licensing Department (RLD) - no response

## **SUMMARY**

### Synopsis of Bill

This memorial describes repeated violations by non-licensed contractors and numerous financial and other damages suffered by consumers from violations of the Construction Industries Licensing Act. It requests an interim legislative committee be appointed by the Legislative Council to study the laws and rules governing the regulation of the construction industry to determine if existing provisions provide adequate protection for the public.

### Significant Issues

An extensive study would be required by this memorial with a legislative interim committee, the Construction Industries Division and Commission, construction industry representatives and the public participating in the process. A properly conducted study would require the commitment of significant time and resources to achieve the results desired by the memorial.

## **FISCAL IMPLICATIONS**

The study and subsequent report required by this memorial would have an undetermined fiscal impact on the legislative branch of government. It would require several meetings of a legislative interim committee in addition to staffing for research, report preparation and general interim committee support to finalize the study. Advance publication of the interim committee meetings would have to be advertised to inform the public and invite public comments. Fiscal impact on the Construction Industries Division of the Regulation and Licensing Department would be insignificant during the period of the study.

## **ADMINISTRATIVE IMPLICATIONS**

This memorial would have an administrative impact on legislative staff required to provide support to the interim legislative committee assigned to conduct the study and present results to the Legislature. The study would require significant participation of CID staff during the interim displacing other division responsibilities until the study and associated interim committee meetings have concluded.

### **TECHNICAL ISSUES**

The memorial does not provide a specified time for the final report to be presented to the Legislature.

### **OTHER SUBSTANTIVE ISSUES**

It is anticipated that adequate public notification of interim committee hearings would generate significant public and industry-related interest. The interim committee would have to allocate adequate time for public comment.

The results of this study could cause significant changes to the Construction Industries Licensing Act if the findings recommend changes to address problems identified in this memorial.

MFV/gm