### NORTH CAROLINA GENERAL ASSEMBLY

## LEGISLATIVE FISCAL NOTE

**BILL NUMBER:** HB 408 (First Edition)

**SHORT TITLE:** Plumbing/Heating Contractors/AB

**SPONSOR(S)**: Rep. Ives

#### FISCAL IMPACT

Yes (X) No() No Estimate Available ()

	FY 1997-98	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02
<b>REVENUES</b> Special Revenue Fund	\$35,880	\$35,880	\$35,880	\$35,880	\$35,880
<b>EXPENDITURES</b> Special Revenue Fund	NA	NA	NA	NA	NA

## PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: State Board of Examiners of Plumbing, Heating, and Fire Sprinkler

Contractors

**EFFECTIVE DATE**: The act is effective when it becomes law. The fuel piping and restricted licenses are effective April 15, 1998.

**BILL SUMMARY:** The bill creates a new fuel piping license for persons who contract or install piping from an approved fuel source, such as natural gas or propane, to plumbing or heating systems or equipment. The bill also allows more restrictive licenses for persons engaged in specific phases of heating, plumbing or fire sprinkling contracting. The fee for these new licenses may not exceed the cost of a plumbing or heating license.

**ASSUMPTIONS AND METHODOLOGY**: The Executive Secretary of the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors, Mr. Tom Phillips, believes those most likely to apply for this new fuel piping license will be members of the North Carolina Propane Gas Association. (Mr. Phillips believes most workers in natural gas companies currently buy a plumbers license.) This fiscal note assumes that each of the 500 plus retail propane outlets in the state will buy a fuel piping license to cover their employees. The annual fee for a fuel piping license cannot exceed the cost of a plumbing or heating license. The Board

charges \$75 for a statewide license and \$45 for a local license. This note assumes the Board will charge the same rate for the new fuel piping license. The Board reports that 89.3% of the plumbers pay \$75 for a statewide license and 10.7% buy a local license. This note assumes the same ratio for the 500 new fuel piping licenses. The revenue from the licenses is calculated as follows:

BUDGET NOTE: The fund balance in the operating account of the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors was \$619,494 in 1996.

# FISCAL RESEARCH DIVISION

733-4910

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Official

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