

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
 Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2134 **STATUS:** A Engrossed
SUBJECT: Lead-Based Paint Activities Licensing and Certification Authority
GOVERNMENT UNIT AFFECTED: Construction Contractors Board, Department of Human Services, Department of Environmental Quality, Department of Consumer and Business Services
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DATE: April 29, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
Department of Human Services – Other Funds		
Personal Services	\$ 155,864	\$ 207,815
Services and Supplies	\$ 65,207	\$ 37,072
Total Department of Human Services - Other Funds	\$ 221,071	\$ 244,887
 Construction Contractors Board – Other Funds		
Personal Services	\$ 148,914	\$ 198,552
Services and Supplies	\$ 89,025	\$ 106,500
Total Construction Contractor Board - Other Funds	\$ 237,939	\$ 305,052
 REVENUES:		
Human Services – Other Funds		
	\$ 990,000	\$ 720,000
 Construction Contractors Board – Other Funds		
	\$ 300,000	\$ 300,000
 POSITIONS / FTE - Department of Human Services:		
Public Health Educator 2	1/0.19	1/0.25
Environmental Health Specialist 3	1/0.56	1/0.75
Research Analyst 3	1/0.19	1/0.25
Office Specialist 2	1/0.19	1/0.25
Total Department of Human Services	4/1.13	4/1.50
 POSITIONS / FTE - Construction Contractors Board:		
Compliance Specialist 2	1/0.38	1/0.50
Office Specialist 2	2/1.13	2/1.50
Construction Contractors Board	3/1.51	3/2.00

EFFECTIVE DATE: January 1, 2010

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: This measure modifies the certification authority of the Department of Human Services (DHS), and amends the licensing authority of the Construction Contractors Board (CCB) over lead-based

paint (LBP) activities. The measure authorizes DHS and CCB to adopt rules and establish fees and civil penalties for implementation and enforcement of the provisions of this Act. The bill establishes the Construction Contractors Board Lead-Based Paint Activities Fund. Moneys in the Fund are continuously appropriated to CCB for the purpose of lead poisoning prevention, including consumer and industry outreach, public education and other activities.

Department of Human Services (DHS)

For the Department of Human Services, if this bill is enacted, DHS would seek Environmental Protection Agency (EPA) authorization to administer a program of expanded outreach, training, certification and oversight. The bill requires DHS to certify individuals to perform LBP activities and firms to perform renovations. DHS is charged with developing and conducting programs to screen blood lead levels; identify hazards; and educate the public about the dangers of LBP, and about appropriate precautions to reduce the probability of childhood lead poisoning. The Department is instructed to adopt rules related to removal and disposal of lead-based paint including developing and approving accredited training programs for lead-based paint activities. DHS is authorized to inspect for compliance and suspend or revoke certification for noncompliance.

To carry out the provisions of this bill, DHS anticipates establishing four permanent part-time positions (1.13 FTE / \$155,864 Personal Services and \$65,207 Services & Supplies for the 2009-11 biennium). The Department states that no new licensing information system is needed because there is an existing certification database that should be able to handle this increase in LBP certification activities.

DHS is authorized to establish certification and recertification fees sufficient to recover the costs of implementing the provisions of this measure. Assuming the EPA fee of \$300 and assuming that 3,300 contractors would seek certification in the 2009-11 biennium and 2,400 contractors would seek certification in the 2011-13 biennium, DHS estimates revenues generated by certification fees to be \$990,000 Other Funds for the 2009-11 biennium and \$720,000 Other Funds for the 2011-13 biennium. The revenues for the first two biennia are more than the expenditures based on EPA projections that 70 percent of contractors would seek initial certification within the first three years of the program. The excess revenue will be used to support the program during the five years between the initial certification and recertification.

Construction Contractors Board (CCB)

For the Construction Contractors Board, this measure creates two classifications of LBP contractor licensing:

1. *LBP activities contractors* who perform LBP activities such as inspection, risk assessment and abatement. CCB currently licenses these contractors under existing law.
2. *Certified LBP renovation contractors* who perform renovations, as defined by federal law. This is a new classification of contractor that CCB will license if this measure is enacted.

If this bill is enacted, CCB will establish one permanent full-time and two permanent part-time positions (1.51 FTE / \$148,914 Personal Services for the 2009-11 biennium and 2.00 FTE / \$198,552 for the 2011-13 biennium) to establish and operate the system to license certified LBP renovation contractors. Services and Supplies (\$89,025 for the 2009-11 biennium and \$106,500 for the 2011-13 biennium) includes licensing, inspection, enforcement and Office of Administrative Hearings expenses.

CCB is authorized to charge up to \$50 a year for certified LBP renovation contractor licensing. Assuming 6,000 licensees and a license fee of \$50, CCB anticipates \$300,000 in revenue for the 2009-11 biennium.

This measure also authorizes CCB to impose a civil penalty up to \$5,000 for violation of the LBP laws applicable to contractors. The amounts received by CCB as civil penalties will be deposited to the Lead-Based Paint Activities Fund Activities Fund.

Note that revenues numbers for both DHS and CCB are preliminary approximations. There is considerable uncertainty regarding the number of contractors who would seek certification and licensing. In addition, potential revenues from civil penalties are not included because the number of civil penalties is indeterminate at this time.

Department of Environmental Quality (DEQ)

Department of Consumer Business Services (DCBS)

Passage of this bill will have a minimal fiscal impact to the Department of Environmental Quality and the Department of Consumer Business Services. The bill requires CCB to report all civil penalties or sanctions to the Department of Human Services, the Occupational Safety and Health Division (OSHA) of the Department of Consumer Business Services, and the Department of Environmental Quality. DEQ and DCBS will have to receive these reports and ensure distribution to program staff for appropriate action.