



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 1748

PRINTER'S NO. 2413

PRIME SPONSOR: McNeill

### COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
General Fund	\$1,050,000	\$750,000

### SUMMARY:

Provides for the registration of labor brokers, establishes the Labor Broker Registration Account, and imposes duties on the Department of Labor and Industry.

### ANALYSIS:

House Bill 1748, Printer's Number 2413, would require labor brokers to register with the Department of Labor and Industry (Department) and renew that registration on a biannual basis. It further establishes a maximum registration fee of \$300. Labor brokers are defined as individuals or entities that supply construction workers to an employer for the performance of construction work or for a construction project in exchange for compensation from the employer. This definition does not include subcontractors.

The bill empowers the Department to investigate reported violations and impose penalties including suspension of registration, fines, administrative actions, and potential debarment for confirmed violations.

The legislation creates the Labor Broker Registration Account as a restricted revenue account within the General Fund into which all fees and penalties will be deposited. The funds in the account are appropriated to the Department on a continuing basis for administration and enforcement.

The act will take effect in one year.

### FISCAL IMPACT:

According to the Department, establishing the online broker registration system necessitated by this legislation would require upfront costs consisting of informational technology and other infrastructure investments. At this time, the Department estimates those initial startup costs at \$500,000 in the current fiscal year. Additionally, the Department estimates increased ongoing operational costs of \$200,000 on an annual basis.

In addition to those initial and operational costs, the Department estimates personnel costs of \$550,000 per fiscal year to enforce the provisions of the legislation, including investigation of any violations thereof.

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House Appropriations Committee (D)

**DATE:** March 20, 2024

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*