

OFFICE OF FISCAL ANALYSIS

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sHB-5227

AN ACT CONCERNING COMMERCIAL MOLD REMEDIATION AND FIRE AND CATASTROPHIC RESTORATION BUSINESSES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Consumer Protection, Dept.	GF - Cost	188,958	243,944
State Comptroller - Fringe Benefits ¹	GF - Cost	72,636	96,848
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires commercial mold remediators to be registered and fire and catastrophic restoration businesses to be licensed by the Department of Consumer Protection (DCP) resulting in the costs and potential revenue gains described below.

To meet the requirements of the bill, DCP will need to hire three additional employees² for a salary and other expenses cost of \$188,958 in FY 27³ and \$243,944 in FY 28, along with associated fringe benefit costs of \$72,636 in FY 27 and \$96,848 in FY 28. The new employees will

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

²The new employees include one staff attorney, one special investigator, and one inspector.

³Costs in FY 27 reflect nine months of expenditures due to the bills 10/1/26 effective date.

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be needed to license/register commercial mold remediators and fire and catastrophic restoration businesses, manage complaints, conduct investigations and inspections, and enforce the provisions of the bill⁴.

The bill also has a \$150 initial license fee and \$100 renewal fee for a fire and catastrophic restoration business license and a fine of up to \$1,000 for anyone engaging in this business without a license resulting in a potential revenue gain to the General Fund to the extent licenses are applied for and violations occur.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases, the number of licenses applied for, the number of violations, and inflation.

⁴It's estimated that there will be over 200 applications for both the license and the registration.