

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 29, 2003

TO: Honorable Jaime Capelo, Chair, House Committee on Public Health

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB963 by Burnam (Relating to the regulation of the sale and use of products containing mercury; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB963, As Introduced: a positive impact of \$17,528 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$11,982)
2005	\$29,510
2006	\$33,510
2007	\$33,510
2008	\$33,510

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>GENERAL REVENUE FUND</i> 1	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1
2004	\$153,450	(\$165,432)
2005	\$259,500	(\$229,990)
2006	\$259,500	(\$225,990)
2007	\$259,500	(\$225,990)
2008	\$259,500	(\$225,990)

Fiscal Year	Change in Number of State Employees from FY 2003
2004	2.0
2005	4.0
2006	4.0
2007	4.0
2008	4.0

Fiscal Analysis

The bill would provide for the regulation of products containing mercury. The bill would require manufacturers of mercury-added products in the state to file an initial and annual registration form with the Texas Department of Health (TDH) and to pay a fee for each registration. The bill would authorize the Board of Health (BOH) to set the amount of the fee as necessary to recover the agency's costs for administering this chapter. The bill would require TDH to implement a public education and outreach program, and would authorize the establishment and implementation of a multi-state clearinghouse for distribution of mercury information.

The bill would establish criminal penalties for persons who violate the bill's provisions or a rule adopted by the BOH. The bill would require the adoption of rules by July 1, 2004. TDH would be required to evaluate the effectiveness of this chapter, and to provide a report by November 1, 2008. TDH would be authorized to enforce this chapter through inspections and to impose administrative penalties for violations. The bill would require TDH to provide a written notice of violations by certified mail, and to provide persons with opportunity for a hearing to contest the violation or penalty amount under the State Office of Administrative Hearings (SOAH).

The bill would take effect on May 1, 2004.

Methodology

According to the Department of Health (TDH), implementing the provisions of the bill would require four full-time positions (FTE). In fiscal year 2004, there would be a General Revenue cost of two FTEs at \$103,332 (costs include salary, travel, and operating expenses). It is assumed that two additional FTEs would be needed in the following fiscal years 2005-2008 increasing the total costs (salary, travel, and operating expenses) to \$209,990 for each year. TDH would contract for professional services to implement the bill's technology-related provisions (\$40,000 in fiscal year 2004 and \$2,000 for fiscal years 2005-2008), to conduct State Office of Administrative Hearings hearings in fiscal years 2005-2008 (\$9,000 each year) and to participate in an interstate clearinghouse (\$5,000 each year).

It is assumed that the number of manufactures that would submit registrations and fees would be an estimated 1,500 per year. TDH would have to set each permit fee at \$165 to cover the costs of administering the program. Assuming only 62 percent of registrations will be submitted in fiscal year 2004, a total of \$153,450 (General Revenue) would be generated for fiscal year 2004. The total General Revenue generated by registrations and fees would be \$247,500 each fiscal year after fiscal year 2004. Assuming that there would be 60 penalties every year, starting in fiscal year 2005, an additional \$12,000 in General Revenue would be collected (\$200 for each penalty).

Technology

The bill would require a one-time purchase of 2 desktop computers, 1 printer, and 1 server (a total cost of \$17,100 in fiscal year 2004) and 2 laptops (a total cost of \$4,000 in fiscal year 2005) for use by the four full-time positions.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 360 State Office of Administrative Hearings, 501 Department of Health

LBB Staff: JK, EB, KF, MH