

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 11, 2003

TO: Honorable Kenny Marchant, Chair, House Committee on State Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1136 by Villarreal (Relating to the prohibition of certain discrimination based on sexual orientation; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1136, As Introduced: a negative impact of (\$352,864) 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.

The Act relates to the prohibition of certain discrimination based on sexual orientation; providing penalties. If the Texas Commission on Human Rights determines at a hearing that a respondent has engaged in or is about to engage in a discriminatory practice, the Commission may assess a civil penalty ranging from \$10,000 to \$50,000, the attorney general can sue to recover civil penalties, and funds collected shall be paid to the state treasurer for deposit in the state treasury. The Act takes effect September 1, 2003.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$122,693)
2005	(\$230,171)
2006	(\$220,487)
2007	(\$220,487)
2008	(\$220,487)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	(\$122,693)	2.0
2005	(\$230,171)	4.0
2006	(\$220,487)	4.0
2007	(\$220,487)	4.0
2008	(\$220,487)	4.0

Fiscal Analysis

The Texas Commission on Human Rights (TCHR) estimated one Investigator V (B10) for housing investigations and one Investigator III (B8) for employment investigations would be required in fiscal year 2004 for the development of rules and tracking system. Once the infrastructure has been developed during the first year, the TCHR estimated an additional Investigator V (B10) for housing

investigations and an Investigator II (B6) for employment investigations would be required for fiscal years 2005 through 2008. Currently, an Investigator V closes approximately 50 housing cases per year and an Investigator II/III closes approximately 100 employment cases per year. The agency reported the processing of complaints under the Bill could begin immediately after the effective date of September 1, 2003.

Methodology

Based on annual salary & wages (\$66,168); fringe benefits (\$18,831); and travel, rent, and other costs (\$37,694), the fiscal year 2004 impact would be \$122,693. For fiscal year 2005, the fiscal impact would be \$230,171 (salary & wages of \$128,808; fringe benefits of \$36,659; and travel, rent, and other costs of \$64,704). For fiscal years 2006 through 2008, the annual fiscal impact would be \$220,487 (salary & wages of \$128,808; fringe benefits of \$36,659; and travel, rent, and other costs of \$55,020). The agency reported "Sexual Orientation" is not a basis currently covered under the Federal Fair Housing Act and Title VII of the Civil Rights Act of 1964 (as Amended) and any complaints resolved under the basis of "sexual orientation" would not be reimbursable by either the United States Housing and Urban Development agency or the Equal Employment Opportunity Commission.

Technology

During the first and second years of implementing the Bill, the technology impact would include the purchase of four computer workstations (including cabling) and four hand set telephones for a total cost of \$8,244 (\$4,122 in fiscal year 2004 and \$4,122 in fiscal year 2005).

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 344 Commission on Human Rights

LBB Staff: JK, RR, BL