

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 9, 2003

TO: Honorable Joe Driver, Chair, House Committee on Law Enforcement

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2079 by Driver (Relating to the regulation of certain activities associated with providing private security.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2079, Committee Report 1st House, Substituted: a positive impact of \$3,180,600 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	\$1,171,800
2005	\$2,008,800
2006	\$2,343,600
2007	\$2,008,800
2008	\$2,343,600

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from GENERAL REVENUE FUND 1
2004	\$1,171,800
2005	\$2,008,800
2006	\$2,343,600
2007	\$2,008,800
2008	\$2,343,600

Fiscal Analysis

The bill would amend the Occupations Code as it relates to the regulation of certain activities associated with providing private security by creating additional licenses and registration categories.

Methodology

The Commission on Private Security (TCPS) reports there are 6,000 locksmith companies that would qualify for a license and estimate the annual revenue of \$1,800,000 (6,000 locksmiths multiplied by \$300, the current class B license fee). Additionally, TCPS estimates those companies would employ an average of two employees yielding 12,000 individual registrations, which would generate \$300,000 biennially (12,000 individual registrations multiplied by \$25 which is the average registration fee).

TCPS reports there are 696 electronic companies and based upon a fee of \$300 would generate \$208,800 (696 electronic companies multiplied by \$300, the current class B license fee). Additionally, TCPS estimates those companies would employ an average of two employees yielding 1,392 individual registrations, which would generate \$34,800 biennially (1,392 individual registrations multiplied by \$25 which is the average registration fee).

TCPS assumes that 50% would comply in the first year due to education of the new license requirements and required time for applications and approvals. Company licenses renew every year and individual registrations renew every two years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 467 Texas Commission on Private Security, 454 Department of Insurance

LBB Staff: JK, WP, SD, WK, RT, RB, AR