

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 15, 2003

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB279 by Jackson (Relating to the continuation and functions of the Texas Department of Licensing and Regulation, including certain functions transferred to the department from the Texas Department of Insurance and the Texas Commission on Environmental Quality and including certain functions transferred from the department to the Department of Public Safety.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB279, As Introduced: an impact of \$0 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	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Savings/ (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Revenue Gain/(Loss) from <i>DEPT INS</i> <i>OPERATING ACCT</i> 36	Probable Savings/ (Cost) from <i>DEPT INS</i> <i>OPERATING ACCT</i> 36
2004	\$83,571	(\$83,571)	(\$54,000)	\$54,000
2005	\$83,571	(\$83,571)	(\$54,000)	\$54,000
2006	\$83,571	(\$83,571)	(\$54,000)	\$54,000
2007	\$83,571	(\$83,571)	(\$54,000)	\$54,000
2008	\$83,571	(\$83,571)	(\$54,000)	\$54,000

Fiscal Year	Change in Number of State Employees from FY 2003
2004	1.0
2005	1.0
2006	1.0
2007	1.0
2008	1.0

Fiscal Analysis

The bill would continue the Department of Licensing and Regulation (TDLR) for 12 years and contains the Sunset Advisory Commission's recommendations including: reducing the size of the Commission on Licensing and Regulation from six members to five members; giving the Commission on Licensing and Regulation rulemaking authority; abolishing the registration of transportation service providers; transferring certain occupational licensing programs from the Texas Commission of Environmental Quality to TDLR; requiring TDLR to act as an information resource for consumers on all state licensing agencies; and transferring oversight of mobile amusement park rides from the Texas Department of Insurance to TDLR. The bill would take effect September 1, 2003.

Methodology

By decreasing the Commission on Licensing and Regulation from six to five members, the Department of Licensing and Regulation (TDLR) would experience a reduction in travel costs of \$900 per year.

Transferring all rulemaking authority to the Commission on Licensing and Regulation would require the Commission to meet two additional times each year to ensure that rules are adopted in a timely fashion. This would result in an increase in travel expenses of about \$1,800 per year.

Requiring TDLR to create a central toll-free licensing hotline would have an associated start-up cost of one Administrative Technician II FTE (\$29,571 total annual salary and benefits each year) to administer the system. However, the bill requires TDLR to contract with other licensing agencies to offset costs which would result in a neutral fiscal impact to the State.

The bill would transfer the current oversight of mobile amusement park rides from the Department of Insurance (TDI) to TDLR. All resources currently allocated to this regulation at TDI will transfer to TDLR, resulting in no net fiscal impact to the State. Last year, TDI dedicated one FTE to administering the oversight of mobile amusement park rides, issued inspections stickers to 1,350 rides, and collected \$54,000 in filing fees which is deposited into the Department of Insurance Operating Fund. These filing fees, which the bill gives TDLR authority to collect, will cover the cost of regulation.

The bill would transfer regulation of Backflow Prevention Assembly Testers, Customer Service Inspectors, Landscape Irrigators, Underground Storage Tank Operators, and Water Treatment Specialists programs from the Texas Commission on Environmental Quality (TCEQ) to TDLR. All resources currently allocated to this regulation at TCEQ would transfer to TDLR resulting in no net fiscal impact to the State. Last year, TCEQ dedicated 6 FTE positions to administering all of these programs and estimates a collection of about \$500,000 in licensing fee revenues for FY 2004.

The bill would abolish registration of transportation service providers at TDLR resulting in a savings of approximately \$8,000 per year in funds used for regulatory activities. However, no net savings would accrue to the state because the licensing fee revenue used to cover the cost of regulation would no longer be collected.

It is assumed that all transfers of authority and other changes to TDLR operations would commence September 1, 2003.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 405 Department of Public Safety, 452 Department of Licensing and Regulation, 454 Department of Insurance, 582 Commission on Environmental Quality

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