

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 2, 2003

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB351 by Harris (relating to the regulation of persons who repossess motor vehicles; providing penalties.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB351, Committee Report 1st House, Substituted: 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 GENERAL REVENUE FUND 1	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2003
2004	\$117,621	(\$117,621)	2.0
2005	\$99,446	(\$99,446)	2.0
2006	\$99,446	(\$99,446)	2.0
2007	\$99,446	(\$99,446)	2.0
2008	\$99,446	(\$99,446)	2.0

Fiscal Analysis

The bill would give the Texas Department of Licensing and Regulation authority to regulate the vehicle repossession industry. The agency would be required to adopt rules related to the bill not later than June 1, 2004, and the license would be required as of September 1, 2004.

Methodology

The Texas Department of Licensing and Regulation (TDLR) expects a licensee population of approximately 3,850. It is anticipated the agency would need two additional FTEs to administer the program: one Administrative Technician IV (\$37,499 annual salary and benefits) to process and

review applications, for continuing education and customer service, and for administration of exams; one-half Investigator IV (\$21,158 annual salary and benefits) for investigation of complaints; and one-half Legal Assistant II (\$17,664 annual salary and benefits) to process and review whether complaints are jurisdictional. It is assumed the agency can absorb additional administrative functions such as processing mail and reviewing applications with existing staff.

The agency also indicates it would require \$25,000 in fiscal year 2004 to develop an exam for licensees. The analysis also includes \$18,625 to cover a \$5 per licensee TexasOnline fee starting in fiscal year 2005. For travel, equipment, and other operating expenses, the agency would need \$16,300 in fiscal year 2004 and \$4,500 in each subsequent year.

It is assumed the agency would raise fees from vehicle repossession industry licensees sufficient to cover all costs associated with the program.

The Office of the Attorney General (OAG) anticipates an additional 6 cases per year would be referred by TDLR for either enforcement or judicial review proceedings. OAG indicates it could absorb all costs associated with the bill within current resources.

Technology

The Texas Department of Licensing and Regulation would require \$4,600 for computers and related equipment for additional staff.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 452 Department of Licensing and Regulation, 212 Office of Court Administration, Texas Judicial Council, 405 Department of Public Safety, 601 Department of Transportation

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