

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 18, 2005

TO: Honorable Dianne White Delisi, Chair, House Committee on Public Health

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1025 by Solomons (Relating to the powers and duties of the Texas Optometry Board and to contact lens prescriptions and the dispensing of contact lenses.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1025, Committee Report 1st House, Substituted: a positive impact of \$5,550 through the biennium ending August 31, 2007.

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
2006	\$2,775
2007	\$2,775
2008	\$2,775
2009	\$2,775
2010	\$2,775

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from GENERAL REVENUE FUND 1
2006	\$2,775
2007	\$2,775
2008	\$2,775
2009	\$2,775
2010	\$2,775

Fiscal Analysis

The bill would amend the Occupations Code to implement certain recommendations of the Sunset Advisory Commission and continue the Texas Optometry Board in existence until 2017.

The bill would amend Section 351.304(b) of the Occupations Code by establishing a method for license renewal and a time frame and penalty structure for delinquent renewals. It provides that a person whose license has been expired for 90 days or less may renew the license by paying a renewal fee equal to 1-1/2 times the standard renewal fee, rather than the cost of its jurisprudence exam. It also provides that a person whose license has been expired for more than 90 days, but less than one year may renew the license by paying a renewal fee equal to two times the normal required renewal fee. Furthermore, the bill provides that a person previously licensed in Texas who is currently licensed in

another state for the preceding two years may obtain a new Texas license by paying a fee equal to two times the normal required renewal fee.

The bill would also amend sections Subchapter E, Chapter 351, of the Occupations Code, by adding Sections 351.2035 and 351.2036 to require the board to establish procedures that would allow board employees to review and investigate a complaint, dismiss the complaint, and recommend enforcement action, including administrative fines, and refer the complaint to an informal settlement conference.

This bill would take effect September 1, 2005.

Methodology

Based on collections received in fiscal year 2004 and the analysis of the Sunset Staff and the board, this change would result in an estimated gain of \$2,775 to the General Revenue Fund each year. Based on fiscal year 2004 late renewal data, the estimated fee collections for fiscal year 2006 would be \$55,300 instead of \$52,525 each year. Estimated renewals for licenses expired 90 days or less would be \$49,350 and estimated renewals for licenses expired more than 90 days would be \$5,950.

A fee of one and a half times the standard renewal rate of \$175, which is the cost of the exam, for the renewal of a license that has been expired for 90 days or less would be \$262.50. Twice the standard renewal rate (\$175) to renew a license that would expire for more than 90 days would be \$350. As a result, the board would collect approximately \$55,300 in General Revenue in late fees each fiscal year.

In 2004, renewals for licenses expired 90 days or less (188 in all) totaled \$47,000, while renewals for licenses expired 90 or more days (17 in all) totaled \$4,600. As a result, in fiscal year 2004 the board collected approximately \$52,525 in General Revenue in late fees. Under current law, licensees who renew an expired license must pay the standard renewal rate, which is the cost of the exam (\$175) plus a late fee of \$75. The fee for an expired license of more than 90 days is the standard renewal rate (\$175) plus a late fee of \$150.

Based on the analysis of the Sunset staff and the board, it is assumed that all costs related to the implementation of the bill relating to new enforcement procedure could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 503 Board of Medical Examiners, 514 Optometry Board, 360 State Office of Administrative Hearings, 515 Board of Pharmacy, 529 Health and Human Services Commission

LBB Staff: JOB, CL, MW, RR