

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 12, 2005**

**TO:** Honorable Allan Ritter, Chair, House Committee on Economic Development

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

**IN RE: HB1515** by Villarreal (Relating to the prohibition of certain discrimination based on sexual orientation or gender identity or expression; providing penalties.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1515, As Introduced: a negative impact of (\$1,387,185) 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	(\$699,642)
2007	(\$687,543)
2008	(\$687,543)
2009	(\$687,543)
2010	(\$687,543)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2005
2006	(\$699,642)	8.4
2007	(\$687,543)	8.4
2008	(\$687,543)	8.4
2009	(\$687,543)	8.4
2010	(\$687,543)	8.4

**Fiscal Analysis**

The provisions of the bill would add a new Act that would prohibit certain discrimination based on sexual orientation, gender identity or expression and would provide penalties for such discrimination in employment and housing.

The provisions would also prohibit employment discrimination in the form of hiring, firing, or other terms and conditions of employment based on sexual orientation, gender identity or expression of an individual and prohibit housing discrimination in the form of refusing to sell or rent because of sexual orientation, gender identity or expression of an individual. It includes individuals in real estate related transactions, real estate services and organizations. It also prohibits discriminatory advertising or steering.

The provisions would require the Texas Workforce Commission (TWC) Civil Rights Division to promulgate rules to administer and enforce the provisions and provide that the Civil Rights Division shall receive, investigate, seek to conciliate and act on complaints alleging violations and provide for a one year statute of limitations for filing a complaint and the method of investigation. The provisions would give authority to refer cases to the Office of the Attorney General (OAG) to file actions and obtain temporary relief. The provisions would require the Attorney General, upon referral, to promptly file an action for temporary relief, file a civil action on behalf of an aggrieved person within 30 days, and/or sue to recover a civil penalty assessed by the division.

The provisions would give the Attorney General authority to file a civil action and obtain preventive relief, damages, attorney fees, court costs and a civil penalty not to exceed \$50,000 for the first violation and \$100,000 for a second or subsequent violation.

The bill would take effect September 1, 2005.

### **Methodology**

The OAG anticipates their General Litigation Division would receive additional lawsuits filed against the state. The General Litigation Division indicates it would need 1.25 FTEs Assistant Attorney General IV and the Consumer Protection Division would need 1 FTE Assistant Attorney General II related to administrative enforcement with annual salary costs with benefits totaling \$287,425. The OAG anticipates needing \$30,557 in other related costs in fiscal year 2006 and \$18,458 in subsequent years.

TWC estimates that it would receive 134 complaints related to employment related discriminations and 12 complaints related to housing related discriminations from the provisions of the bill. TWC indicates it would need 6.1 FTEs Investigator III with annual salary costs with benefits totaling \$304,599 and other related costs totaling \$202,169.

TWC has extrapolated the number of employment discrimination complaints from the cities of Austin (7 employment discrimination complaints based on sexual orientation) with a population of 678,198, Dallas (4 employment discrimination complaints based on sexual orientation) with a population of 1,201,759, and Fort Worth (4 employment discrimination complaints based on sexual orientation) with a population of 555,110. A total of 15 complaints were filed by a citizen pool of 2,435,468 people, 11 percent of the total Texas population of 21,779,893. Assuming that the percentage of complaints filed statewide will mirror the percentages of complaints filed locally, the estimated statewide total of such complaints is 133.5.

According to TWC, two municipalities have passed city ordinances recognizing sexual orientation as a protected class, and local human rights commissions are currently processing such complaints. Dallas processed a total of 2 fair housing complaints based on sexual orientation, in the past year; Dallas has a total population of approximately 1,201,270 million. Fort Worth processed a total of 10 fair housing complaints based on sexual orientation in the past year; Fort Worth has a total population of approximately 555,511. A total of 12 complaints were filed by a citizen pool of 1,757,270, which is 8 percent of the statewide population of 21,779,893. Assuming that the percentage of complaints filed statewide will mirror the percentages of complaints filed locally, the estimated statewide total of such complaints is 148.

### **Technology**

The OAG estimates a one-time technology impact of \$4,583 in fiscal year 2006 for network stations.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General, 320 Texas Workforce Commission

**LBB Staff:** JOB, JRO, MW, DE