

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 24, 2005

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: HB2593 by Baxter (Relating to the TexasOnline project, the TexasOnline Authority, and related powers and fees.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill requires that the TexasOnline Authority may not charge a subscription fee for a service until the service is available on the Internet. The bill requires that TexasOnline Authority members complete training regarding the TexasOnline Authority's role, rules, programs, and budget.

The bill permits the TexasOnline Authority to set fees that a state agency, including the TexasOnline Authority, or a local government can charge for a TexasOnline transaction. The bill requires that the TexasOnline Authority set fees in an amount sufficient to recover costs. This could result in additional costs to state agencies and users of TexasOnline due to any increase in fees charged for TexasOnline services.

The bill permits a state agency or the TexasOnline vendor, as determined by the TexasOnline Authority to collect all fees charged to use TexasOnline. If a state agency collects the fees, the agency will forward the fees to the vendor and the vendor determines the state's appropriate share of the fee and forwards it to the state. If the vendor collects the fees, it will determine the state's appropriate share and forward it to the state. It is assumed that any additional duties and responsibilities associated with any additional oversight could be absorbed within DIR's existing resources.

The bill prohibits the TexasOnline Authority from charging the State Board of Barber Examiners or the Texas Cosmetology Commission a fee to use TexasOnline for the issuance or renewal of an occupational license.

The bill would allow the Texas Department of Public Safety to require vehicle inspection stations to use TexasOnline for certain purposes.

The bill requires the vendor operating TexasOnline to have an independent audit of the vendor's finances associated with the management and operation of TexasOnline.

The bill repeals provisions creating the TexasOnline Division. Through the repealer, the bill continues to permit licensing entities to increase the occupational license issuance or renewal fees up to \$5 for an annual license or \$10 for a biennial license.

Local Government Impact

There could be additional costs to local government entities that use TexasOnline due to any increase in fees charged for TexasOnline services.

Source Agencies: 302 Office of the Attorney General, 313 Department of Information Resources

LBB Staff: JOB, SD, LB, MS, SMi