

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 23, 2005

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

IN RE: SB107 by Estes (Relating to prohibiting over-the-counter sales of certain forms of pseudoephedrine; providing administrative penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB107, As Introduced: a negative impact of (\$117,395) 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	(\$54,103)
2007	(\$63,292)
2008	(\$63,292)
2009	(\$63,292)
2010	(\$63,292)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable (Cost) from <i>GENERAL REVENUE FUND 1</i>	Change in Number of State Employees from FY 2005
2006	\$5,000	(\$59,103)	1.0
2007	\$5,000	(\$68,292)	1.0
2008	\$5,000	(\$68,292)	1.0
2009	\$5,000	(\$68,292)	1.0
2010	\$5,000	(\$68,292)	1.0

Fiscal Analysis

The bill would prohibit over-the-counter sales of certain forms of pseudoephedrine. The bill establishes an administrative penalty to be imposed by the Department of State Health Services for violations. A process for administrative hearings before the State Office of Administrative Hearings and appeals for judicial review are also established. The Attorney General is authorized to sue to collect penalties that have been imposed and are not paid.

Methodology

1. It is assumed that any new complaints, investigations and cases at the Office of the Attorney General could be absorbed by current resources.
2. It is assumed that the Department of State Health Services would hire one new FTE to investigate complaints of retail firms. The FTE would be hired December 1, 2005, so salary, benefits, travel, and certain administrative costs would be for only 3/4 of the year in FY 2006. Salary is assumed to be \$24,741 in the first year, and \$32,988 in each subsequent year. Benefits are assumed at 29.74 percent of salary. Administrative costs are assumed to be \$11,408 in the first year and \$5,786 in subsequent years.
3. Travel costs are assumed to be \$12,334 in the first year and \$16,445 in each subsequent year.
4. It is assumed that existing staff would promulgate rules related to the bill.
5. It is assumed that one case per year would be referred to the State Office of Administrative Hearings. Based on historical average cost data, it is assumed that each case would cost \$3,262.
6. It is assumed that five penalties would be assessed each year, each for \$1,000.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 537 Department of State Health Services

LBB Staff: JOB, KF, CL, LW