

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 15, 2005

TO: Honorable Jeff Wentworth, Chair, Senate Committee on Jurisprudence

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

IN RE: SB165 by Wentworth (Relating to the regulation of private process servers; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB165, As Introduced: a positive impact of \$61,650 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	\$118,600
2007	(\$56,950)
2008	\$92,600
2009	(\$45,470)
2010	\$95,250

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Revenue Gain from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Change in Number of State Employees from FY 2005
2006	(\$249,400)	\$368,000	2.0
2007	(\$107,250)	\$50,300	2.0
2008	(\$141,150)	\$233,750	2.0
2009	(\$105,670)	\$60,200	2.0
2010	(\$137,250)	\$232,500	2.0

Fiscal Year	Change in Number of State Employees from FY 2005
2006	
2007	
2008	
2009	
2010	

Fiscal Analysis

The bill would establish the regulation and licensing of private process servers through the Texas Department of Licensing and Regulation (TDLR) by adding Title 8 to the Civil Practice and Remedies Code.

The bill requires an applicant for an initial process server license to submit a sworn application on a form prescribed by TDLR and it also requires each applicant to disclose any conviction of the applicant for a misdemeanor involving moral turpitude or a felony. The bill would also require TDLR to issue a two-year process server license or an agent registration to an applicant who complies with the appropriate requirements explained in subchapter B, passes the criminal history record check, and pays all required fees. It would also require TDLR to send a renewal application to each license holder or registered agent not later than the 45th day before the date of expiration. The bill would provide a fee charged and collected by a license holder or registered agent for service of process may be charged as costs in a judicial proceeding. The bill would authorize TDLR to deny, suspend, or revoke a license or registration and to impose an administrative penalty under the Occupations Code, on a finding that a license holder or registered agent has failed to meet certain requirements.

The bill would take effect September 1, 2005.

Methodology

According to the Texas Department of Licensing and Regulation (TDLR), the Texas Process Servers Associations estimates the population that would be regulated to be approximately 900 process server licensees and 2,500 registered agents. According to the agency, biennial fees assessed by TDLR would be \$55 for an original registration application, \$55 for an original registration fee, \$55 for a registration renewal, \$80 for an original license application, \$80 for an original license fee, and \$80 for license renewal. Also, TDLR estimates that beginning in fiscal year 2006, a \$10 per licensee/registrant cost would be included in other costs to reflect anticipated charges by TexasOnline. This additional cost is included in the renewal fees, which would be take effect in fiscal year 2007. Based on TDLR's analysis, it is assumed that a majority of the licensees would pay the two-year licensing fee beginning in fiscal year 2006 and that the remaining licensees would pay beginning in fiscal year 2007. TDLR estimates a General Revenue increase of \$368,000 in fiscal year 2006 for 6,000 applicants, \$50,300 in fiscal year 2007 for 800 applicants, \$233,750 in fiscal year 2008 for 3,900 applicants, \$60,200 in fiscal year 2009 for 990 applicants, and \$232,500 in fiscal year 2010 for 3,800 applicants. Under current law, the agency is required to cover its operation costs with generated revenue. TDLR estimates to generate sufficient General Revenue funds in fiscal years 2006 and 2007 to cover the costs associated with the implementations of the bill for the 2006-07 biennium.

TDLR estimates the duties specified under the bill would require an Administrative Assistant III, a Legal Assistant II, and one half Accountant II. Salaries for fiscal years 2006 through 2010 would be \$31,356 for one Administrative Assistant III, \$33,312 for one Legal Assistant II, and \$15,678 for one half an Accountant II.

The Department of Public Safety's (DPS) criminal history check would cost \$15 and the Federal Bureau of Investigation's criminal history check would cost \$24. The bill would have a one-time increase of 3,400 fingerprint-based certified criminal history checks received by DPS' Crime Records Division. According to DPS, the bill would have no fiscal impact to the agency.

Technology

According to TDLR, the technology fiscal impact is estimated to be \$5,750 in fiscal year 2006 for personal computers, printers, and supporting equipment.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 405 Department of Public Safety, 452 Department of Licensing and Regulation

LBB Staff: JOB, LB, MW, RR