

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

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

**March 9, 2005**

**TO:** Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

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

**IN RE: SB401** by Nelson (Relating to the continuation and functions of the Texas Board of Chiropractic Examiners; providing a criminal penalty.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB401, As Introduced: a negative impact of (\$65,600) 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	(\$32,800)
2007	(\$32,800)
2008	(\$32,800)
2009	(\$32,800)
2010	(\$32,800)

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

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1
2006	(\$27,200)	(\$5,600)
2007	(\$27,200)	(\$5,600)
2008	(\$27,200)	(\$5,600)
2009	(\$27,200)	(\$5,600)
2010	(\$27,200)	(\$5,600)

**Fiscal Analysis**

The bill would continue the Board of Chiropractic Examiners for 12 years, and would would authorize the agency's peer review committees to assist the board in reviewing standard of care complaints. The bill would also change the basis for the agency's late-renewal penalties from an examination fee to the standard renewal fee. It would provide that a person whose license has been expired for 90 days or less may renew the license by paying the required renewal fee plus a fee equal to half the amount of the agency's renewal fee. A license that has been expired for more than 90 days could be renewed by paying the required renewal fee plus a fee equal to the agency's renewal fee. A license that has been expired for at least one year but less than three years could be renewed by paying two times the agency's renewal fee for each year the license was expired, one time the agency's renewal fee and one time the required renewal fee.

The bill would take effect September 1, 2005.

### **Methodology**

Based on an average of 56 billing and standard of care complaints reviewed by the Board of Chiropractic Examiners' peer review committees annually, or the average number of complaints the agency received from fiscal year 2001 to 2003, it is assumed that the agency would require \$5,600 annually to reimburse peer review committee members at a reimbursement rate of \$100 per complaint.

Changing the amount of the late renewal fee for licenses expired for 90 days or less would result in a loss of \$21,600 a year based on 216 late renewals for fiscal year 2004. The late renewal fee would decrease from \$487.50 to \$387.50, resulting in a loss of \$100 per late renewal ( $\$100 \times 216 = \$21,600$ ). Changing the amount of the late renewal fee for licenses expired for more than 90 days but less than one year would result in a loss of \$5,600 a year based on 28 late renewals for fiscal year 2004. The late renewal fee would decrease from \$650 to \$450, resulting in a loss of \$200 per late renewal ( $\$200 \times 28 = \$5,600$ ). Changing the amount of the late renewal fee for licenses expired for at least one year but no more than three years is not anticipated to have a fiscal impact. Changing the basis for the renewal of expired licenses by out-of-state practitioners is not anticipated to have a fiscal impact.

The Texas Department of Insurance indicates it could absorb any additional costs associated with the bill within its existing resources.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 453 Workers' Compensation Commission, 454 Department of Insurance, 508 Board of Chiropractic Examiners

**LBB Staff:** JOB, CL, MW, RB