

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 17, 2005

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

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

**IN RE: SB407** by Jackson, Mike (Relating to the continuation and functions of the State Board of Veterinary Medical Examiners.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB407, Committee Report 1st House, Substituted: a negative impact of (\$33,386) 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	(\$16,693)
2007	(\$16,693)
2008	(\$16,693)
2009	(\$16,693)
2010	(\$16,693)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2006	(\$7,493)	(\$9,200)
2007	(\$7,493)	(\$9,200)
2008	(\$7,493)	(\$9,200)
2009	(\$7,493)	(\$9,200)
2010	(\$7,493)	(\$9,200)

Fiscal Analysis

The bill would amend the Occupations Code to continue the Texas Board of Veterinary Medical Examiners (Board) until 2017, and would implement the recommendations of the Sunset Advisory Commission.

The bill would require the Board to conduct random audits of licensees through the license renewal process to ensure compliance with continuing education provisions and would conform key elements of the Board's licensing and regulatory functions to commonly applied licensing agency practices.

The bill would authorize the Board to require a veterinarian to make up missed continuing education hours in subsequent years and would require at least two veterinarian members of the Board to review each complaint that requires medical expertise and determine whether to dismiss the complaint or

refer it to an informal hearing. The bill would also grant the Board cease-and-desist authority to quickly stop unlicensed activity.

The bill would take effect September 1, 2005.

### **Methodology**

Based on collections received in fiscal year 2004, the analysis of the Sunset Staff, and the Veterinary Medical Examiners, it is assumed that changing the late license renewal fee from the cost of an exam taken for licensure to the standard renewal fee would result in an estimated loss of revenue in the amount of \$7,493 to the General Revenue Fund each year. Based on fiscal year 2004 late renewal data, the estimated fee collections for fiscal year 2006 would be \$68,381 instead of \$75,874 each year.

Beginning in 2006, a fee of one and a half times the standard renewal rate for the renewal of a license that has expired for 90 days or less would be \$177. Twice the standard rate to renew a license that would have expired for more than 90 days, but less than a year, would be \$236. Estimated renewals for licenses expired 90 days or less would be \$61,773 and estimated renewals for licenses expired more than 90 days, but less than a year, would be \$6,608.

In 2004, renewals for licenses expired 90 days or less (349 in all) totaled approximately \$68,230, while renewals for licenses expired between 90 days and one year (28 in all) totaled \$7,644. Under current law, licensees who renew an expired license must pay the renewal fee plus a late fee based on the cost of the examination taken for licensure. The fee for a license expired 90 days or less is one-half the cost of the exam (\$77.5) plus the renewal fee (\$118), which is \$195.50. The fee for an expired license of more than 90 days, but less than a year, is the exam fee plus the renewal fee, which is \$273.

According to the Sunset Staff, the Board holds an average of 10 days of informal hearings each year and the average travel costs per Board member to attend the informal hearings is \$460 per day. Based on an estimate of \$4,600 per Board member to attend informal hearings each year, two additional Board members would add an additional \$9,200 in costs each year.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 578 Board of Veterinary Medical Examiners

**LBB Staff:** JOB, LB, MW, BC