

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 5, 2005

TO: Honorable Burt R. Solomons, Chair, House Committee on Financial Institutions

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

IN RE: SB1112 by Eltife (Relating to debt management services; providing a penalty.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1112, As Engrossed: an impact of \$0 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	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

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	Change in Number of State Employees from FY 2005
2006	\$96,019	(\$96,019)	1.5
2007	\$91,519	(\$91,519)	1.5
2008	\$91,519	(\$91,519)	1.5
2009	\$91,519	(\$91,519)	1.5
2010	\$96,019	(\$96,019)	1.5

Fiscal Analysis

The bill would require the Office of Consumer Credit Commissioner to regulate Consumer Debt Management Service providers, including registration and investigation responsibilities.

The bill would take effect September 1, 2005, and would require registration by providers as of January 1, 2006.

Methodology

It is anticipated that the Office of Consumer Credit Commissioner would require 0.5 Administrative

Assistant II position (\$14,000 each year in salaries) to process registrations, maintain and track bond requirement information, maintain current address locations, process annual renewal billings and collection, and maintain and review the required annual report submitted by registrants.

The agency would require 1.0 Financial Examiner II position (\$39,000 each year in salaries) to investigate registrants and respond to consumer complaints.

The agency would also require \$13,000 each year for travel related to investigations, \$4,500 in fiscal years 2006 and 2010 for computers and related equipment, \$9,900 each year for other operating expenses including consumable supplies, and \$15,619 each year for employee benefits associated with the new positions.

It is anticipated that any costs associated with the bill would be offset by an increase in the amount of fee revenue generated from the new population of registrants.

Technology

The Office of Consumer Credit Commissioner would require additional funding for computers and related equipment in fiscal years 2006 and 2010.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 451 Department of Banking, 466 Office of Consumer Credit Commissioner

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