

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

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

**April 18, 2005**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

**IN RE: SB1159** by Harris (Relating to the regulation of persons who repossess motor vehicles; providing penalties.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1159, As Introduced: 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 1</i>	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND 1</i>	Change in Number of State Employees from FY 2003
2006	\$100,233	(\$100,233)	2.0
2007	\$82,558	(\$82,558)	2.0
2008	\$82,558	(\$82,558)	2.0
2009	\$82,558	(\$82,558)	2.0
2010	\$82,558	(\$82,558)	2.0

**Fiscal Analysis**

The bill would give the Texas Department of Licensing and Regulation (TDLR) authority to regulate the vehicle repossession industry. The agency would be required to adopt rules related to the bill not later than June 1, 2006, and the license would be required as of September 1, 2005.

**Methodology**

TDLR expects a licensee population of approximately 2,849. It is anticipated the agency would need two additional Full-time Equivalents (FTE) to administer the program: one Administrative Assistant IV (\$33,644 annual salary and benefits) to process and review applications, for continuing education

and customer service, and for administration of exams; one-half Investigator IV (\$21,399 annual salary and benefits) for investigation of complaints; and one-half Legal Assistant II (\$17,865 annual salary and benefits) to process and review whether complaints are jurisdictional. It is assumed the agency can absorb additional administrative functions such as processing mail and reviewing applications with existing staff.

The agency also indicates it would require \$36,500 in fiscal year 2006 to develop an exam for licensees. The analysis also includes \$14,265 to cover a \$5 per licensee TexasOnline fee starting in fiscal year 2005. For travel, equipment, and other operating expenses, the agency would need \$22,933 in fiscal year 2006 and \$5,400 in each subsequent year.

It is assumed the agency would raise fees from vehicle repossession industry licensees sufficient to cover all costs associated with the program.

### **Technology**

TDLR would require \$4,600 for computers and related equipment for additional staff.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 452 Department of Licensing and Regulation, 212 Office of Court Administration, Texas Judicial Council, 405 Department of Public Safety, 601 Department of Transportation

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