

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 20, 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.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1159, Committee Report 1st House, Substituted: 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

LBB Staff: JOB, SD, MW, RR, JRO, RT, RB