

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 30, 2007**

**TO:** Honorable Dianne White Delisi, Chair, House Committee on Public Health

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

**IN RE: HB2602** by Truitt (Relating to the regulation of certain chiropractic clinics; providing administrative and criminal penalties.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2602, Committee Report 1st House, Substituted: a negative impact of (\$8,356) through the biennium ending August 31, 2009.

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
2008	(\$3,910)
2009	(\$4,446)
2010	(\$4,982)
2011	(\$5,518)
2012	(\$6,054)

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

Fiscal Year	Probable Revenue Gain from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Savings/ (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Revenue (Loss) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Change in Number of State Employees from FY 2007
2008	\$210,847	(\$210,847)	(\$3,910)	2.0
2009	\$141,547	(\$141,547)	(\$4,446)	2.0
2010	\$141,547	(\$141,547)	(\$4,982)	2.0
2011	\$141,547	(\$141,547)	(\$5,518)	2.0
2012	\$141,547	(\$141,547)	(\$6,054)	2.0

**Fiscal Analysis**

The bill would amend the Occupations Code to provide for the regulation of non-doctor-of-chiropractic-owned chiropractic clinics by the Texas Department of Licensing and Regulation (TDLR). The bill would authorize TDLR to set fees for original and renewal licenses in an amount not to exceed \$3,000.

The bill would take effect September 1, 2007.

## **Methodology**

It is assumed that TDLR would incur costs associated with implementing the provisions of the bill. These costs would include salaries for 2 FTEs, one Program Specialist IV and one Administrative Assistant III, in the amount of \$80,220 each fiscal year with associated benefit costs of \$23,857. Other costs and operating expenses, including travel and hiring a consultant in fiscal year 2008 to write the software to allow cross-checking of new applicants with enforcement records, are assumed to be \$106,770 in fiscal year 2008 and \$37,470 in subsequent fiscal years. It is assumed TDLR would set original and renewal license fees in an amount to cover these costs.

It is assumed that while TDLR would license non-doctor-of-chiropractic-owned chiropractic clinics, the controlling persons of the clinics, and investigate and resolve complaints against the non-doctor-of-chiropractic owners of those clinics, the Texas Board of Chiropractic Examiners would continue to investigate and resolve complaints against the doctors of chiropractic working in those clinics. It is also assumed non-doctor-of-chiropractic-owned chiropractic clinics would be required to continue registering with the Texas Board of Chiropractic Examiners. Currently, there are approximately 335 non-doctor-of-chiropractic-owned chiropractic clinics and each fiscal year there are 50 new non-doctor-of-chiropractic-owned chiropractic clinic registrations. Based on the analysis of the Board of Chiropractic Examiners, it is assumed the number of non-doctor-of-chiropractic-owned chiropractic clinic new and renewal registrations would decrease by 15 percent in fiscal year 2008 because the bill provides for higher financial and suitability standards for non-doctor-of-chiropractic-owned chiropractic clinics that exist under current law. It is also assumed that the number of non-doctor-of-chiropractic-owned chiropractic clinic new licenses would be reduced by 15 percent in each subsequent year for the same reason. The original registration fee is \$70 while the annual renewal registration fee is \$67.

Based on the analysis of the Board of Chiropractic Examiners, Texas Workforce Commission, and Office of Attorney General, duties and responsibilities at those agencies associated with implementing the provisions of the bill could be absorbed within existing resources.

## **Technology**

There would be a technology impact of \$3,800 in fiscal year 2008 for computer hardware and software.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 320 Texas Workforce Commission, 452 Department of Licensing and Regulation, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 454 Department of Insurance, 508 Board of Chiropractic Examiners

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