

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 10, 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; creating an offense and providing civil and criminal penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2602, As Introduced: 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 | \$160,957 | (\$160,957) | (\$3,910) | 1.0 |
| 2009 | \$97,557 | (\$97,557) | (\$4,446) | 1.0 |
| 2010 | \$97,557 | (\$97,557) | (\$4,982) | 1.0 |
| 2011 | \$97,557 | (\$97,557) | (\$5,518) | 1.0 |
| 2012 | \$97,557 | (\$97,557) | (\$6,054) | 1.0 |

Fiscal Analysis

The bill would amend the Occupations Code to provide for the regulation of non-doctor-of-chiropractic-owned chiropractic clinics owned 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 and provides that the fees collected under the bill shall be used to implement the provisions of the bill.

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 1 FTE, one Program Specialist IV, in the amount of \$48,528 each fiscal year with associated benefit costs of \$13,729. 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 \$98,700 in fiscal year 2008 and \$35,300 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 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 Comptroller, the bill would create a dedicated revenue source that would be subject to funds consolidation review by the current Legislature.

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

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