

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 1, 2007

TO: Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HB3408 by Laubenberg (Relating to required hair care products for operation of a barbership or related specialty shop.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3408, As Introduced: an impact of \$0 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	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Change in Number of State Employees from FY 2007
2008	(\$244,568)	\$244,568	3.0
2009	(\$226,878)	\$226,878	3.0
2010	(\$227,030)	\$227,030	3.0
2011	(\$227,118)	\$227,118	3.0
2012	(\$227,087)	\$227,087	3.0

Fiscal Analysis

The bill would amend the Occupations Code to require a product that combines water, Luvimer, Si-Tec DMC, and Cellosize PCG-10 to be provided on-site at barber shops and barber schools.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house; otherwise, it would take effect September 1, 2007.

Methodology

It is estimated that the Department of Licensing and Regulation (TDLR) would have a cost associated

with determining compliance with the provisions of this bill and enforcing the provisions of the bill. Based on the analysis of TDLR, it is assumed that of the approximately 100 barber shops and schools which are inspected each month, that half of these inspections would result in a complaint and half would provide a sample to be tested, which would result in a test cost of \$22,500 per year (\$75 per test times 25 tests per month) and 600 complaints per year.

Based on the analysis of TDLR, it is assumed that costs for staff would be \$148,656 for 3.0 FTEs in each fiscal year from 2008 through fiscal year 2012. Other operating expenses, rent, travel, and equipment are estimated at \$53,858 in fiscal year 2008, \$36,168 in fiscal year 2009, \$36,320 in fiscal year 2010, \$36,408 in fiscal year 2011, and \$36,377 in fiscal year 2012. Estimated costs also include \$42,054 in each fiscal year from 2008 through fiscal year 2012 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in fee generated revenue.

Technology

There would be a technology cost to TDLR of \$7,376 in fiscal year 2008, \$486 in fiscal year 2009, \$638 in fiscal year 2010, \$726 in fiscal year 2011, and \$695 in fiscal year 2012.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Department of Licensing and Regulation

LBB Staff: JOB, JRO, MW, AH