

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

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

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

**IN RE: SB1471** by Eltife (Relating to employment verification agreements between the Texas Workforce Commission and consumer reporting agencies.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1471, 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)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2008        | \$0  |
| 2009        | \$0  |
| 2010        | \$0  |
| 2011        | \$0  |
| 2012        | \$0  |

All Funds, Five-Year Impact:

| Fiscal Year | Probable (Cost) from<br>APPROPRIATED RECEIPTS<br>666 | Probable Revenue Gain from<br>APPROPRIATED RECEIPTS<br>666 |
|-------------|--|--|
| 2008        | (\$360,862)  | \$360,862  |
| 2009        | (\$140,182)  | \$140,182  |
| 2010        | (\$140,182)  | \$140,182  |
| 2011        | (\$140,182)  | \$140,182  |
| 2012        | (\$140,182)  | \$140,182  |

Fiscal Analysis

The bill would amend the Labor Code relating to employment verification agreements between the Texas Workforce Commission (TWC) and consumer reporting agencies. The bill would allow employment verification agreements between the TWC and one or more consumer reporting agencies to provide for the disclosure of wage record information from the employer quarterly reports obtained through the employment tax system.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2007.

Methodology

According to the analysis provided by TWC, the estimated cost to implement the provisions of this bill is \$360,862 in fiscal year 2009 and \$140,182 each year for fiscal years 2010-12, totaling \$921,590 for the five-year period. (TWC estimates that rule development will take from 6 to 12 months, the first year for which costs are estimated in fiscal year 2009.) Based on the provisions of this bill, consumer reporting agencies would be required to pay proportionate shares of all development and start-up costs, as well as on-going costs incurred by TWC in implementing this new requirement and reasonable costs for the disclosure of employee wage information. Based on the analysis by TWC, any costs associated with implementing the provisions of this bill will be recovered from those entities that have entered into an agreement with TWC.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 320 Texas Workforce Commission

**LBB Staff:** JOB, JRO, MW, NV