

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 19, 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.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1471, Committee Report 1st House, Substituted: 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 (Cost) from APPROPRIATED RECEIPTS 666	Probable Revenue Gain from APPROPRIATED RECEIPTS 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