

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 10, 2009**

**TO:** Honorable Edmund Kuempel, Chair, House Committee on Licensing & Administrative Procedures

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

**IN RE: HB128** by Solomons (Relating to the requirement that applicants for certain licenses be eligible for employment in the United States.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB128, As Introduced: a negative impact of (\$2,866,906) through the biennium ending August 31, 2011.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$1,406,189)
2011	(\$1,460,717)
2012	(\$1,283,374)
2013	(\$1,117,190)
2014	(\$1,106,030)

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

Fiscal Year	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Savings/ (Cost) from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>Insurance Maint Tax</i> <i>Fees</i> 8042
2010	\$1,561,963	(\$252,444)	(\$2,715,708)	(\$151,161)
2011	\$1,297,726	(\$429,787)	(\$2,328,656)	(\$135,864)
2012	\$969,476	(\$252,444)	(\$2,000,406)	(\$135,864)
2013	\$807,336	(\$75,100)	(\$1,849,426)	(\$135,864)
2014	\$807,170	(\$75,100)	(\$1,838,100)	(\$135,864)

Fiscal Year	Probable Revenue Gain from <i>Insurance Maint Tax</i> <i>Fees</i> 8042	Probable (Cost) from <i>State Highway Fund</i> 6	Change in Number of State Employees from FY 2009
2010	\$151,161	(\$207,759)	52.0
2011	\$135,864	(\$207,759)	49.8
2012	\$135,864	(\$207,759)	44.0
2013	\$135,864	(\$207,759)	40.0
2014	\$135,864	(\$250,720)	41.0

**Fiscal Analysis**

The bill would amend the Occupations Code to prohibit a licensing authority to issue an occupational license, certificate, registration, permit, or other authorization unless an applicant establishes

employment eligibility in the United States. The applicant would establish employment eligibility by presenting one or two specific documents outlined in the bill. The bill would also provide each licensing agency with authority to perform audits on some or all applications submitted to verify employment eligibility.

Each licensing agency would be required to adopt necessary rules to implement the bill by January 1, 2010. The bill would take effect September 1, 2009.

## **Methodology**

Based on information provided by the Comptroller of Public Accounts, the State Securities Board, the Real Estate Commission, the Texas Residential Construction Commission, the Department of Public Safety, the Savings and Mortgage Lending Department, the Department of Banking, the Texas Department of Licensing and Regulation, the Texas Department of Insurance, the Board of Plumbing Examiners, the Board of Accountancy, the Board of Professional Land Surveying, the Texas Medical Board, the Texas State Board of Dental Examiners, the Board of Nursing, the Board of Chiropractic Examiners, the Board of Podiatric Medical Examiners, the Optometry Board, the Funeral Service Commission, the Texas State Board of Pharmacy, the Executive Council of Physical Therapy and Occupational Therapy Examiners, and the Texas Department of Transportation, this analysis includes the following assumptions.

It is assumed that there would be additional technology costs, including programming costs as well as the purchase of necessary hardware and software for several agencies. These costs are estimated to be \$140,504 in fiscal year 2010, \$20,345 in 2011, \$16,145 in 2012, \$27,305 in 2013, \$16,145 in 2014.

It is assumed that costs for staff would include \$1,793,369 for 52.0 FTEs in 2010, \$1,799,670 for 49.8 FTEs in 2011, \$1,606,717 for 44.0 FTEs in 2012, \$1,506,588 for 40.0 FTEs in 2013, and \$1,540,003 for 41.0 FTEs in 2014. Other operating expenses are estimated to be \$3,069,057 in 2010, \$2,667,605 in 2011, \$2,345,107 in 2012, \$2,194,029 in 2013, and \$2,225,664 in 2014.

It is also assumed that any increased costs to agencies which are required to generate sufficient revenue to cover their costs of operation would be offset by an increase in fee generated revenue.

## **Technology**

It is assumed that there would be technology costs of \$140,504 in fiscal year 2010, \$20,345 in 2011, \$16,145 in 2012, \$27,305 in 2013, and \$16,145 in 2014.

## **Local Government Impact**

No significant fiscal implication to units of local government is anticipated. The bill would require a local licensing entity to verify an applicant's employment eligibility documents defined by the provisions of the bill prior to verifying employment eligibility, and issuing a temporary license.

**Source Agencies:** 304 Comptroller of Public Accounts, 312 Securities Board, 329 Real Estate Commission, 370 Residential Construction Commission, 405 Department of Public Safety, 450 Department of Savings and Mortgage Lending, 451 Department of Banking, 452 Department of Licensing and Regulation, 454 Department of Insurance, 456 Board of Plumbing Examiners, 457 Board of Public Accountancy, 464 Board of Professional Land Surveying, 503 Texas Medical Board, 504 Texas State Board of Dental Examiners, 507 Texas Board of Nursing, 508 Board of Chiropractic Examiners, 512 Board of Podiatric Medical Examiners, 513 Funeral Service Commission, 514 Optometry Board, 515 Board of Pharmacy, 533 Executive Council of Physical Therapy & Occupational Therapy Examiners, 601 Department of Transportation

**LBB Staff:** JOB, JRO, MW, ES, PJK, TP