

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 23, 2009

TO: Honorable Burt R. Solomons, Chair, House Committee on State Affairs

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

IN RE: HB217 by Menendez (Relating to prohibiting the sale or use of unsafe children's products; providing a civil penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB217, As Introduced: a negative impact of (\$842,272) through the biennium ending August 31, 2011.

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
2010	(\$684,346)
2011	(\$157,926)
2012	(\$157,926)
2013	(\$157,926)
2014	(\$157,926)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2009
2010	(\$684,346)	2.0
2011	(\$157,926)	2.0
2012	(\$157,926)	2.0
2013	(\$157,926)	2.0
2014	(\$157,926)	2.0

Fiscal Analysis

The bill would add a chapter to Subtitle A, Title 9, Health and Safety Code, that would require the Department of State Health Services (DSHS) to maintain a list of unsafe children's products on its website. The bill would also require that DSHS mail a copy of the list to any child-care facility without access to the Internet. The bill would require DSHS to update the list within 24 hours of learning that a product has been declared unsafe. The Department of Family and Protective Services (DFPS) would be required to notify a child-care facility of the provisions of the chapter either at the time the facility submits an application for a license or a renewal or during a license, registration, or certificate monitoring visit. Persons violating the chapter or a rule adopted under the chapter would be liable to the state for a civil penalty not to exceed \$1,000 for each violation. The bill would take effect September 1, 2009.

Methodology

Calculations are based on the following assumptions by DSHS:

- 1) The bill assigns the same meaning to "child-care facility" as Sec. 42.002, Human Resource Code, and after subtracting those childcare centers that are required to have working email addresses unless granted a waiver, this results in a total of 22,678 facilities included in the calculations.
- 2) 4,536 facilities (20 percent of facilities, as estimated by DFPS) would need a copy of the list of unsafe products mailed to them due to lack of Internet access.
- 3) An initial mailing of the complete list of unsafe children's products from the U.S. Consumer Product Safety Commission (CPSC) website would include 1,600 pages.
- 4) A mailing of updates to the product list would be done monthly (10 pages each).
- 5) Two mailings per year for high-risk product notification would be necessary (2 pages each).

It is also assumed that DSHS would establish a link to the CPSC website and sign up for email alerts when recalls or safety alerts are issued.

The total cost for DSHS to implement the provisions of the bill would be \$684,346 in General Revenue Funds/All Funds in fiscal year 2010 and \$157,926 in General Revenue Funds/All Funds per fiscal year for 2011-2014. DSHS estimates that two full-time equivalents (FTEs) would be needed; FTE costs are estimated to be \$95,421 per fiscal year, including \$21,204 per year for associated employee benefits.

DFPS indicates that Child Care Licensing would have costs associated with implementation of the bill but could be absorbed within available resources.

The Office of the Attorney General indicates any cost to implement provisions of the bill could be absorbed within existing resources.

Technology

DSHS estimates the technology impact to be \$8,000 in fiscal year 2010 for programming and initial development of a database and \$2,490 per fiscal year in 2011-2014 for database maintenance, storage, and tape backup expenses. These costs are included in the total cost above.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 530 Family and Protective Services, Department of, 537 State Health Services, Department of

LBB Staff: JOB, KJG, VJC, LR, MB