

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 30, 2009

TO: Honorable Yvonne Gonzalez Toureilles, Chair, House Committee on Agriculture & Livestock

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

IN RE: HB2038 by Isett (Relating to the regulation of structural pest control.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2038, As Introduced: a positive impact of \$49,976 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	(\$47,762)
2011	\$97,738
2012	\$97,738
2013	\$97,738
2014	\$97,738

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/ (Loss) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$475,982)	\$428,220	6.0
2011	(\$330,482)	\$428,220	6.0
2012	(\$330,482)	\$428,220	6.0
2013	(\$330,482)	\$428,220	6.0
2014	(\$330,482)	\$428,220	6.0

Fiscal Analysis

The bill would amend the Occupations Code relating to the regulation of structural pest control by the Department of Agriculture (TDA). The bill would: require certified commercial applicators to obtain a structural pest control business license with each business in which the applicator is associated; modify the description of a person who is engaged in the business of structural pest control; modify the exemptions from the regulation of structural pest control; modify the membership of the Structural Pest Control Advisory Committee; exempt pest control operators from liability for damages that may arise as a result of an inspection made under Section 1951.210(d) of the Occupations Code and subsequently found to be incorrect; and modify the amount of insurance a structural pest control business applicant must obtain.

The bill would take effect September 1, 2009.

Methodology

TDA estimates that as a result of the requirement that certified commercial applicators must obtain a structural pest control business license with each business in which the applicator is associated, 2,379 additional business licenses will need to be obtained. During the first year of operation, each new business must be inspected, and it is assumed that the number of risk-based inspections would rise considerably in following years as a result of the legislation. It is estimated that TDA will need 5.0 additional FTEs to conduct these inspections and 1.0 additional FTE to provide administrative support for the inspectors. The related annual salary for these positions would be \$227,894, the associated annual benefits would be \$65,109, and it is estimated that the equipment and operating expenses, including vehicles and computer hardware and software, for these FTEs would cost \$180,600 in fiscal year 2010 and \$35,100 in subsequent years. TDA would also perform criminal history background checks at an annual cost of \$2,379 (\$1 per license).

With current licensing fee at \$180, it is estimated that an additional \$428,220 would be generated by these licenses each fiscal year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 551 Department of Agriculture

LBB Staff: JOB, WK, ZS, AH