

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**May 13, 2009**

**TO:** Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

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

**IN RE: HB2447** by Flynn (relating to the abolition of the Board of Tax Professional Examiners and the transfer of its functions to the Texas Department of Licensing and Regulation.),  
**Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would abolish the Board of Tax Professional Examiners and transfer obligations, property, full-time equivalent positions, rights, powers, and duties of the Board to the Texas Department of Licensing and Regulation (TDLR). The bill would create the Texas Tax Professional Advisory Committee, with seven members appointed by the Commission of Licensing and Regulation, to advise TDLR on tax professional regulatory issues.

The bill would eliminate licensing and administrative fee caps and would authorize TDLR to set fees in amounts necessary to cover the costs of the Department's tax professional regulatory program. The bill would eliminate the 30-day grace period for registration renewal and would require TDLR to create late renewal fees based on standard renewal fees.

The bill would require the Comptroller of Public Accounts to enter into a memorandum of understanding with TDLR to provide information on tax professional educational needs, to review and approve all required educational courses, examinations, and continuing education courses, and to provide assistance regarding administrative proceedings and in prosecuting violations.

This analysis assumes that appropriations for the Board of Tax Professional Examiners and the 3.7 FTEs will be transferred to TDLR. This analysis also assumes the continuation of existing fee rates. The Sunset Advisory Committee estimates that TDLR would be able to provide more efficient and comprehensive services to registrants and the public with the same amount of resources as the Board.

Since TDLR is statutorily required to generate revenues sufficient to cover its costs of operation, this analysis assumes that the agency would adjust fees as necessary to cover any additional costs associated with the implementation of the bill. The Comptroller of Public Accounts, the Sunset Advisory Committee, TDLR and the Board of Tax Professional Examiners anticipate any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 116 Sunset Advisory Commission, 337 Board of Tax Professional Examiners, 452 Department of Licensing and Regulation

**LBB Staff:** JOB, KK, JRO, MW, ES