

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 15, 2009

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

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

IN RE: SB1095 by Carona (Relating to the licensing and regulation of used automotive parts recyclers; providing penalties.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1095, Committee Report 2nd House, Substituted: an impact of \$0 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	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

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	(\$247,342)	\$247,342	4.0
2011	(\$220,742)	\$220,742	4.0
2012	(\$220,742)	\$220,742	4.0
2013	(\$220,742)	\$220,742	4.0
2014	(\$220,742)	\$220,742	4.0

Fiscal Analysis

The bill would require the Texas Department of Licensing and Regulation (TDLR) to license and regulate used automotive parts recyclers and employees of used automotive parts recyclers. The bill would require the presiding officer of the Commission of Licensing and Regulation to appoint five members to a Used Automotive Parts Recycling Advisory Board for the purposes of providing advice and recommendations to the TDLR on technical matters relevant to the administration and enforcement of licensing standards. The bill would authorize TDLR to establish and collect fees.

The bill would require TDLR to perform periodic and risk-based inspections on licensees at the place of business. The bill would establish terms of license eligibility, administrative penalties, and criminal

penalties.

The bill would require a used automotive parts recycler to file certain reports regarding vehicle title acquisition, notification of vehicle dismantling, and records of purchase and inventory of parts with the Texas Department of Transportation (TxDOT). The bill would require TxDOT to provide the used automotive parts recycler with receipts for the reports, records, and other specified documentation.

The bill would take effect September 1, 2009. The license requirement and enforcement requirements would take effect September 1, 2010.

Methodology

Based on information provided by the Texas Commission on Environmental Quality, the Department of Public Safety, the Office of the Attorney General, and the Texas Department of Transportation, it is assumed that duties and responsibilities for each of these agencies associated with implementing the provisions of the bill could be accomplished within current resources.

TDLR estimates the population of used automotive parts recyclers to be 1,363 and the employees of used automotive parts recyclers to be 2,726. TDLR anticipates 390 complaints annually, of which 100 will be jurisdictional and 27 will lead to risk based inspections. TDLR estimates it will hold 3 administrative hearings annually.

Based on information provided by TDLR, it is assumed that an additional 4.0 full-time-equivalent positions (FTEs) would be needed each year: 1.0 legal assistants, 1.0 administrative assistants, and 2.0 additional investigators to assist in conducting periodic and risk based inspections. This analysis assumes total costs would be \$247,342 in fiscal year (FY) 2010, \$220,742 in FY 2011, \$220,742 in FY 2012, \$220,742 in FY 2013 and \$220,742 in FY 2014. This analysis also includes one-time start-up costs for computers and office equipment.

This analysis assumes that any increased costs to TDLR, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee generated revenue.

Local Government Impact

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

Source Agencies: 452 Department of Licensing and Regulation, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 582 Commission on Environmental Quality, 601 Department of Transportation

LBB Staff: JOB, ES, JRO, KJG, MW