

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 24, 2009

TO: Honorable Jeff Wentworth, Chair, Senate Committee on Jurisprudence

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

IN RE: SB1243 by Wentworth (Relating to the regulation of heir finders by the Texas Private Security Board.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1243, As Introduced: a positive impact of \$26,499 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	\$24,090
2011	\$2,409
2012	\$2,650
2013	\$2,915
2014	\$3,206

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1
2010	\$24,090
2011	\$2,409
2012	\$2,650
2013	\$2,915
2014	\$3,206

Fiscal Analysis

The bill would amend the Occupations Code to add to the duties of the Private Security Board (PSB) the function of registering and regulating heir finders, or persons who provide information or other efforts related to another person's right to or interest in a decedent's estate in exchange for a payment or portion of interest in a decedent's estate. The bill would require that potential heir finders submit an application and two sets of fingerprints to the PSB and allows for the collection of a registration fee. The bill states that registration as an heir finder would not expire. The bill would subject heir finders to the same complaint procedures and disciplinary actions as other regulated persons. The bill states that a person offering to provide services heir finder would not be required to register under the subchapter until January 1, 2010. Additionally, the list of conditions relating to prohibited contracts in Section 1702.276, Occupations Code, would only apply to contracts entered into on or after January 1, 2010. The other sections of the bill would take effect September 1, 2009.

Methodology

The Department of Public Safety (DPS) reports that the current number of licensed private investigators is 8,027 and the Regulatory License Service and Private Security Bureau estimate a reasonable expectation to be that 10 percent of current licensed private investigators would register as heir finders. DPS reports that it would charge a one-time registration fee of \$30 to an estimated 803 prospective heir finders in 2010, thereby collecting \$24,090. This analysis assumes that new applicants for heir finder registration would equal approximately 10 percent of registered heir finders each year, resulting in revenue of \$2,409 in fiscal year 2011, \$2,650 in fiscal year 2012, \$2,915 in fiscal year 2013 and \$3,206 in fiscal year 2014.

DPS reports that it is possible that a certain number of private investigators would not seek to renew the private investigator's license, which expires every two years, in favor of a one-time registration fee as an heir finder. DPS reports that it would anticipate a loss of revenue due to the decrease in renewals, which cannot be determined in this analysis.

Local Government Impact

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

Source Agencies: 405 Department of Public Safety

LBB Staff: JOB, MN, GG, MWU