

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 16, 2009

TO: Honorable John Carona, Chair, Senate Committee on Transportation & Homeland Security

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

IN RE: SB2153 by Whitmire (Relating to booting of vehicles by private entities in parking facilities; providing penalties.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2153, Committee Report 1st 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	(\$323,121)	\$323,121	5.0
2011	(\$282,621)	\$282,621	5.0
2012	(\$282,621)	\$282,621	5.0
2013	(\$282,621)	\$282,621	5.0
2014	(\$282,621)	\$282,621	5.0

Fiscal Analysis

The bill would amend the Occupations Code to incorporate boot operators and booting companies into the licensing and regulation of towing operators and storage facilities governed by the Texas Department of Licensing and Regulation (TDLR). The bill would establish a license requirement for boot operators and booting companies. The bill would establish the Towing, Storage, and Booting Advisory Board, and increase the membership by one. The bill would establish the terms for regulation of booting operators and companies, including the right of an owner or operator of a vehicle to a hearing for a violation of rules by a boot operator or company. The bill would require the presiding officer of the Texas Commission of Licensing and Regulation to appoint to the Towing, Storage, and Booting Advisory Board one representative of a booting company promptly after the bill takes effect. The bill would take effect September 1, 2009.

Methodology

Based on the analysis of TDLR, while current numbers of private registered booting companies are limited, towing companies currently licensed with TDLR would apply for the new booting license and increase the number of companies. As such, TDLR estimates 25 percent of towing companies currently licensed with TDLR would apply for the booting license, totalling 975 companies. TDLR estimates 2,750 booting operators would apply for the license. Based on these estimates and the history of booting and towing complaints, TDLR anticipates receiving 1,825 complaints per year, resulting in 200 hearings annually.

TDLR anticipates needing an additional 5.0 full-time-equivalent positions (FTEs) to license and regulate the booting companies and operators: 1.0 administrative assistant in licensing, 1.0 customer service representative, 1.0 legal assistant for intake, 0.5 administrative assistant for complaint intake, 0.5 investigator for complaint intake, 0.5 attorney for prosecutions, and 0.5 legal assistant for prosecutions. Other costs included in the total estimates include fees for DPS criminal history background checks, plastic licenses, and TexasOnline fees. Additional costs cover equipment expenditures and rent for TDLR's office space outside of state owned facilities.

This analysis assumes that any increased costs to the agency, which is statutorily required to generate revenue sufficient to cover its cost 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

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