

BILL ANALYSIS

C.S.H.B. 3167
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Government Efficiency & Reform
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill proposes to repeal the state's regulation of talent agency operators and personnel service providers. Current regulation of talent agencies and personnel employment services fails to serve a meaningful public interest. Talent agencies were originally regulated to protect theatrical actors from fraudulent agents that would take clients' money and pledge to provide representation, only to disappear. As applied, however, the regulations for talent agencies are readily circumvented, rendering them as ineffective. Although there are approximately 60 registered talent agencies in Texas, widespread activity by unregulated parties that offer similar services render the consumer protections intended by the regulation meaningless. In light of this regulatory shortcoming, the bill eliminates state regulation of talent agencies.

Similarly, regulation of personnel employment services, where companies attempt to find permanent jobs for persons looking for work, no longer provides a meaningful public benefit. These services were first regulated in the 1970's, when people used such services to find work. With the advent of the Internet, and other employment search methods, the use of personnel employment services has declined. With the decline in this mode of business, the need for state regulation of personnel employment services has dissipated. The bill eliminates the requirement for a personnel employment service to be licensed, while preserving a job seeker's right should they use such as service and be harmed.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

The bill repeals Chapter 2105 of the Occupations Code, providing for the regulation of persons operating talent agencies by the Texas Department of Licensing and Regulation. The bill provides prospective clauses that outline the handling of administrative penalties, disciplinary or administrative proceeding, and pending prosecution under Occupations Code §2105, as related to the effective date of the bill and Occupations Code §51.

The bill requires the Texas Department of Licensing and Regulation to return to a person who holds a valid registration under Occupations Code §2105, as that chapter existed immediately before the effective date of this Act, a prorated portion of the fee paid to the department for the issuance or renewal of the registration.

The bill repeals Subchapters B and D, Chapter 2501, Occupations Code, providing for the regulation of persons who own a personnel service by the Texas Department of Licensing and Regulation. Similarly, the bill repeals §2501.001(2), (3-a), and (4-a); §2501.201(c); and §2501.253.

The bill dismisses an action pending on the effective date of the bill related to a violation of Occupations Code §2501.102. The bill provides a prospective clause that outlines the handling of administrative penalties under Occupations Code §2501, as related to the effective date of the bill and Occupations Code §51.

The bill requires the Texas Department of Licensing and Regulation to return to a person who holds a valid registration under Occupations Code §2501, as that chapter existed immediately before the effective date of this Act, a prorated portion of the fee paid to the department for the issuance or renewal of the registration.

Lastly, the bill makes conforming changes.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The original version of the bill modifies the Agriculture Code by repealing the regulation of persons engaged in weather modification under the Texas Department of Licensing and Regulation, as well as made clarifying and conforming changes to that effect. The committee substitute contains no similar provision.

The original version of the bill amended the Occupations Code, by repealing the regulation of interior designers by the Texas Board of Architectural Examiners, as well as made clarifying and conforming changes to that effect. The committee substitute contains no similar provision.

The original version of the bill had the caption, *relating to the repeal of occupational licensing requirements*; whereas the committee substitute contains the caption, *relating to the abolishment of the state regulation of talent agencies and personnel services*.