

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 6, 2011

TO: Honorable Mike Hamilton, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HB1809 by Thompson (Relating to the registration of diagnostic imaging equipment, the accreditation of diagnostic imaging facilities, and the regulation of diagnostic imaging providers; providing penalties.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1809, Committee Report 1st House, Substituted: a positive impact of \$6,468 through the biennium ending August 31, 2013.

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
2012	\$2,044
2013	\$4,424
2014	\$4,303
2015	\$4,184
2016	\$4,058

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2011
2012	(\$62,516)	\$64,560	0.5
2013	(\$34,312)	\$38,736	0.5
2014	(\$34,433)	\$38,736	0.5
2015	(\$34,552)	\$38,736	0.5
2016	(\$34,678)	\$38,736	0.5

Fiscal Analysis

The bill would add a chapter to the Occupations Code requiring the Department of State Health Services (DSHS) to register diagnostic imaging facilities; exemptions are provided. The certificate of registration would expire two years after the issuance date. Facilities are not required to be registered until March 1, 2012.

The bill would establish civil penalties; revenue gains from these penalties would be deposited into a separate account outside the state treasury. The Officer of the Attorney General (OAG), at DSHS' request, would be authorized to collect the penalties assigned under this section and both agencies

would be authorized to recover reasonable expenses incurred in obtaining the penalties.

No later than January 1, 2012 the executive commissioner of the Health and Human Services Commission shall adopt rules to implement the bill.

The bill would take effect September 1, 2011.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

DSHS estimates that 1,614 existing diagnostic imaging facilities would be issued certificates of registration by March 1, 2012. DSHS would, with authority provided in current statute, divide the issuance of the initial certificates between one-year and two-year certificates. All renewals would then be for two years, as required by the bill. Calculations do not include an increase in the number of facilities.

It is assumed that registration costs incurred by DSHS would be offset by fees (deposited to the General Revenue Fund). Assuming all 1,614 facilities are registered, in order to cover costs the fee for a two-year certificate would be \$55 (\$25 for the one-year certificate) to be collected in fiscal year 2012. The fee for a certificate renewal, valid for two years, would be \$48 and collected in fiscal years 2013 and beyond. This would result in increased revenue to the State of \$64,560 in fiscal year 2012 and \$38,736 in each fiscal year thereafter. An estimate of potential civil penalties was not provided.

DSHS would need 0.5 FTEs per fiscal year to perform registration/renewal activities. Total costs for DSHS, including expenses related to FTEs and technology are estimated to be \$62,516 in All Funds in fiscal year 2012 and approximately \$34,000 in fiscal years 2013-2016.

The Office of the Attorney General indicates that any costs to implement the provisions of the bill could be absorbed by current resources. The Comptroller of Public Accounts indicates that the bill's fiscal impacts, including fees and penalties, cannot be determined.

Technology

DSHS estimates costs in fiscal year 2012 of \$22,500, included above, to modify the licensing software to add the diagnostic imaging centers.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 537 State Health Services, Department of

LBB Staff: JOB, AG, MB, VJC, NB