

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 22, 2011

TO: Honorable Bill Callegari, Chair, House Committee on Government Efficiency & Reform

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

IN RE: HB2953 by Cain (Relating to the state agency concurrence required before certain federal regulatory action is imposed on regulated business entities in this state.), **As Introduced**

There would be an indeterminate fiscal impact to the state from the provisions of the bill.

The bill would amend Government Code to require state regulatory agencies to establish procedures by rule that a federal agency would follow before taking action against a regulated business entity. The bill would also create a legal defense for a regulated business entity in the event a federal agency fails to comply with the procedures adopted by the state regulatory agency. The bill would take effect September 1, 2011 but apply only to an action taken by a federal agency on or after January 1, 2012.

Many state regulatory agencies could meet any additional administrative costs created through the implementation of this bill with existing resources. However, some state regulatory agencies could experience more significant increased costs from the rulemaking, administration, and legal negotiations required by the bill's provisions. For example, the Department of Insurance reported that it would require 6.5 additional full-time equivalent positions to meet the legal requirements of the bill.

Because of the unknown nature of the scope and level of future federal agency actions against Texas business entities regulated by state agencies, as well as the level of negotiations that would be required with federal agencies, the specific fiscal impact cannot be estimated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 329 Real Estate Commission, 452 Department of Licensing and Regulation, 454 Department of Insurance, 473 Public Utility Commission of Texas

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