

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 26, 2011

TO: Honorable Pete Gallego, Chair, House Committee on Criminal Jurisprudence

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

IN RE: HB3777 by Gallego (Relating to collection, storage, and distribution of criminal history record information; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3777, As Introduced: a negative impact of (\$2,891,439) 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	(\$1,628,067)
2013	(\$1,263,372)
2014	(\$1,263,372)
2015	(\$1,288,627)
2016	(\$1,333,352)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2012	(\$1,628,067)
2013	(\$1,263,372)
2014	(\$1,263,372)
2015	(\$1,288,627)
2016	(\$1,333,352)

Fiscal Year	Change in Number of State Employees from FY 2011
2012	16.6
2013	16.6
2014	16.6
2015	16.6
2016	16.6

Fiscal Analysis

The bill would amend the Texas Code of Criminal Procedure to require the Texas Department of

Public Safety (DPS) to establish regulations and licensing of persons involved in the collection, storage, and distribution of criminal history record information. DPS may impose a fee for the license in the amount that is sufficient to cover any costs incurred as a result of the provisions in the bill.

The bill would permit the Attorney General, or appropriate prosecuting attorney, to sue to collect civil penalties imposed on those violating any of the provisions. The Attorney General would be authorized to sue to collect any administrative penalties imposed.

Methodology

DPS anticipates a cost of \$2.9 million in General Revenue Funds for the 2012-13 biennium to implement the provisions of the bill. The bill would require 16.6 specialized full-time-equivalent (FTE) staff to implement the provisions of the bill. While the provisions of the bill intend for the cost to be offset by revenue generated by licensing fees, the Comptroller of Public Accounts cannot estimate the revenue that would be generated by the bill. According to DPS, the cost to create the new regulation program would likely exceed what businesses would be willing to pay to be able to conduct that business, since the data is currently being sold outside of DPS for a modest price.

Additionally, if the number of participating businesses decreases significantly when the program is first implemented, due to program fees incurred, initial DPS start-up costs may not be fully covered.

Technology

DPS reports that they would require \$140,000 to hire contractors for programming and other implementation tasks related to the regulation and licensing businesses who collect, store, and distribute criminal history record information.

Local Government Impact

According to DPS, the bill could increase demand for criminal history record information from local agencies and governments since they are another source of the information addressed by the provisions of the bill.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 405 Department of Public Safety

LBB Staff: JOB, ESi, GG, YD