

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 24, 2013

TO: Honorable Wayne Smith, Chair, House Committee on Licensing & Administrative Procedures

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1676 by Price (Relating to the continuation and functions of the Texas Board of Professional Engineers; changing a fee.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1676, As Introduced: a negative impact of (\$88,000) through the biennium ending August 31, 2015.

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
2014	(\$44,000)
2015	(\$44,000)
2016	(\$44,000)
2017	(\$44,000)
2018	(\$44,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Foundation School Fund</i> 193
2014	(\$33,000)	(\$11,000)
2015	(\$33,000)	(\$11,000)
2016	(\$33,000)	(\$11,000)
2017	(\$33,000)	(\$11,000)
2018	(\$33,000)	(\$11,000)

Fiscal Analysis

The bill would amend the Occupations Code relating to the continuation and functions of the Texas Board of Professional Engineers (BPE). The bill would change the BPE's sunset date to September 1, 2025, continuing the agency for another 12 years. The bill would direct the BPE to collect the \$200 professional fee at the time of the issuance or renewal of a license and not at the time of the initial application. The bill would require the BPE to adopt certain policies, conduct fingerprint criminal record information checks through the Department of Public Safety (DPS), and to review complete federal and state criminal histories on all applicants and current licensees. The bill would increase the BPE's administrative penalty authority from \$3,000 to \$5,000 per violation per day and directs the State Office of Administrative Hearings (SOAH) to hold a preliminary hearing not later than the 14th day after the date of the temporary suspension to determine if there is probable cause to believe that a continuing and imminent threat to the public welfare exists.

The bill would take effect September 1, 2013.

Methodology

Applicant data from fiscal years 2011 and 2012 gathered by Sunset Advisory Commission staff was considered for the purposes of this analysis. This analysis also assumes there would be 3,200 new applicants each year based on the 48,473 currently active professional engineers.

The \$200 professional fee that is collected includes \$150 that is deposited to General Revenue and \$50 that is deposited to the Foundation School Fund. In accordance with the provisions of the bill, the Comptroller of Public Accounts (CPA) estimates that the \$200 professional fee would not be collected from an estimated 220 applicants that would not pass the examination each year resulting in an annual loss of \$33,000 to General Revenue and \$11,000 to the Foundation School Fund.

Under the provisions of the bill, DPS would be authorized to collect fees associated with criminal record information checks from license applicants and licensees applying for license renewals. According to DPS, the current cost for a criminal record information check is \$31.50. Of this amount, \$14.50 is sent to the Federal Bureau of Investigation for its processing fee and DPS retains \$17 to cover its processing costs. The revenues retained by DPS are not considered in the table above because they are appropriated upon receipt to DPS for the purposes of covering the cost of providing the criminal record information checks. These revenues are considered as Appropriated Receipts (or Other Funds) in the General Appropriations Act.

Based on information provided by the CPA, DPS and BPE, this analysis does not include any revenue impacts from the increase in administrative penalties (from \$3,000 to \$5,000 per violation per day) under the provisions of the bill because this impact cannot be determined.

Based on information provided by SOAH and DPS, this analysis assumes that duties and responsibilities associated with implementing the provisions of the bill could be covered within existing resources. Fiscal impacts of costs and revenues that may be generated in association with implementing the provisions of the bill for the BPE are not considered in this analysis because any fiscal impacts for this agency would be realized outside of the Treasury due to the agency being Self-Directed and Semi-Independent.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts, 360 State Office of Administrative Hearings, 460 Board of Professional Engineers, 405 Department of Public Safety

LBB Staff: UP, CWS, RB, MW