

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 24, 2013

TO: Honorable Joseph Pickett, Chair, House Committee on Homeland Security & Public Safety

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3288 by Davis, Yvonne (Relating to drug testing of a person seeking to obtain or renew a concealed handgun license.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3288, As Introduced: a negative impact of (\$1,509,092) 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	(\$902,150)
2015	(\$606,942)
2016	(\$606,942)
2017	(\$606,942)
2018	(\$606,942)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2013
2014	(\$902,150)	6.5
2015	(\$606,942)	6.5
2016	(\$606,942)	6.5
2017	(\$606,942)	6.5
2018	(\$606,942)	6.5

Fiscal Analysis

The bill would amend the Government Code to require an applicant for a concealed handgun license (CHL) to submit a drug test to the Department of Public Safety (DPS) at the applicant's expense in order to be eligible for a CHL. The bill would stipulate that a person who fails a drug

test would be ineligible for a CHL until the first anniversary of the date the results of the person's drug test were originally submitted to DPS. The bill would require a person failing a drug test to complete an educational program approved by DPS prior to submitting another CHL application. The bill would require DPS to provide an individual seeking a CHL who fails a drug test with an opportunity for a hearing concerning the results of the drug test before revoking or denying a CHL. The bill would take effect September 1, 2013.

Methodology

The Department of Public Safety (DPS) estimates 120,000 concealed handgun license (CHL) applications, including original and renewal, will be submitted annually. It is estimated the number of individuals submitting a CHL who fail a drug test will be 0.5 percent, which means of the 10,000 applicants per month, 50 per month will fail the drug test. Assuming 25 percent of those who fail the drug test opt to appeal, there will be 25 requests for additional hearings per month.

It is assumed the agency would require an additional 6.5 full-time equivalent positions to implement the provisions of the bill. Two additional license and permit specialists would be required to process the additional drug test requirement for CHL applications. Two additional attorneys would be required to conduct the additional hearings. Two legal secretaries would be required to process the associated scheduling, docketing, and filing of pleadings for the additional hearings. An additional 0.5 FTE would be required to assist with associated accounting, payroll, human resources, travel, facility maintenance, asset management and related support functions.

DPS estimates it would require 2,376 staff hours in 2014 and 146 staff hours in 2015 and beyond to modify and update existing data systems, update vendor hosted online applications, publications, training materials, and internal policies, identify drug testing facilities and submission process, and communicate changes. The average cost per hour for staff and related overhead is \$40 per hour. This staff time will cost DPS \$95,040 in fiscal year 2014 ($\$40 * 2,376$ hours), and \$5,840 in fiscal year 2015 ($\$40 * 146$ hours).

Programming costs are estimated to be \$48,114 to perform 447 hours of development, testing, security evaluation and implementation in fiscal year 2014 only.

The bill requires DPS to confirm the results of the initial drug test through a second drug test. If the concealed handgun license (CHL) secondary testing were to follow a similar protocol as the drug testing required by the U.S. Department of Transportation for commercial drivers in Texas, the estimated cost of a drug test at a DPS approved independent laboratory is \$50 per test. If 0.5 percent of CHL applicants fail a drug test and require secondary testing, up to 600 secondary tests a year ($120,000$ applicants \times 0.5% = 600) could be required. At \$50 a test, the annual cost is estimated to be up to \$30,000 ($600 \times \50).

Technology

Technology-related costs are estimated to be \$48,114 in fiscal year 2014 to fund 447 hours of information technology contractor work at an average cost of \$107.64 per contractor hour.

Local Government Impact

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

Source Agencies: 360 State Office of Administrative Hearings, 405 Department of Public Safety

LBB Staff: UP, ESi, AI, JAW