

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 2, 2013

**TO:** Honorable John Carona, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB1250** by Carona (Relating to the creation of an office of regulatory best practices in the Texas Department of Licensing and Regulation and the evaluation by the office of proposals by members of the legislature to regulate occupations.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1250, As Introduced: an impact of \$0 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	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2013
2014	(\$179,804)	\$179,804	2.0
2015	(\$129,706)	\$129,706	2.0
2016	(\$129,706)	\$129,706	2.0
2017	(\$129,706)	\$129,706	2.0
2018	(\$129,706)	\$129,706	2.0

## **Fiscal Analysis**

The bill would amend the Occupations Code relating to the creation of an office of regulatory best practices in the Texas Department of Licensing and Regulation (TDLR) and the evaluation by the office of proposals by members of the legislature to regulate occupations.

The bill would require the office of regulatory best practices to collect, review, and analyze regulatory practices by agencies and members of the legislature to determine if they are regulatory best practices. The bill would also require the office to establish and maintain a clearinghouse to serve as a central repository for the collection, classification, and distribution of regulatory best practices and the steps a regulatory agency may take to implement those regulatory best practices.

The bill would require that by January 1 of the even-numbered year preceding a regular legislative session, a member of the legislature to submit to the office a written proposal that could impose a statewide licensing requirement or would increase the regulatory requirements imposed on an occupation or profession that is currently regulated statewide. The bill would require the office of regulatory best practices to evaluate each proposal submitted by a member of the legislature and issue a report outlining the anticipated costs and benefits to the state, including impacts to public health, safety, and welfare.

The bill would require the office to periodically report findings related to the development and maintenance of the clearinghouse to the governor, lieutenant governor, the speaker of the house of representatives, committees of each house of the legislature having jurisdiction over appropriations, the State Auditor's Office, and the Sunset Advisory Commission. Regulatory agencies would be required to provide the office access to the agency's financial, statistical, performance, and personnel data. TDLR would be able to enter into a memorandum of understanding with a regulatory agency to maintain the confidentiality of the data.

The bill would require that by March 31, 2014, the Texas Commission of Licensing and Regulation must adopt any rules necessary to implement the changes in law made by this bill.

The bill would take effect on the date on which the constitutional amendment proposed by the 83rd Legislature, Regular Session, 2013, to require a member of the legislature to obtain and file a report on the costs and benefits of a bill or amendment to impose or increase an occupational regulation takes effect. If that amendment is not approved by the voters, that subsection has no effect.

The bill would take effect September 1, 2013, unless it is not approved by the voters.

## **Methodology**

Information and estimates provided by TDLR were used as the basis of developing this analysis.

Based on information provided by TDLR, it is assumed that \$179,804 in fiscal year 2014 and \$129,706 in each subsequent year and an additional 2.0 Full-Time Equivalents (FTEs) each fiscal year would be necessary to implement the provisions of the bill. The costs would go towards creating a clearinghouse within the Office of Regulatory Best Practices to serve as a central repository for the collection, classification, and production of reports. These amounts also include salary and benefit costs, and other operating expenses. Since TDLR is statutorily required

to cover the cost of its operations with fee generated revenue, it is assumed that the agency would adjust fees as necessary to cover all costs associated with implementing the provisions of the bill.

**Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts, 452 Department of Licensing and Regulation

**LBB Staff:** UP, RB, MW, CWS