

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 28, 2015

TO: Honorable René Oliveira, Chair, House Committee on Business & Industry

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1515 by Canales (Relating to the consideration by employers of the consumer credit reports or other credit information of employees and applicants for employment; providing civil and administrative penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1515, As Introduced: a negative impact of (\$267,934) through the biennium ending August 31, 2017.

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
2016	(\$141,602)
2017	(\$126,332)
2018	(\$126,332)
2019	(\$126,332)
2020	(\$126,332)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2015
2016	(\$141,602)	1.5
2017	(\$126,332)	1.5
2018	(\$126,332)	1.5
2019	(\$126,332)	1.5
2020	(\$126,332)	1.5

Fiscal Analysis

This bill would amend the Labor Code relating to the consideration by employers of the consumer credit reports or other credit information of employees and applicants for employment; providing civil and administrative penalties.

The bill prohibits employers from requiring or using an employee's or an applicant's credit report as a condition of employment, and prohibits employers from discriminating against an employee or applicant on the basis of their credit report.

The bill prohibits acts of retaliation or coercion against an employee or applicant who makes or files a charge, or who participates in an investigation or hearing on a related violation. The bill establishes an administrative penalty of up to \$9,000 per violation, and allows civil action to enforce these provisions.

This bill would take effect on September 1, 2015.

Methodology

Based on information provided by the Texas Workforce Commission (TWC), it is estimated that implementing the provisions of the bill would result in an additional 84 Civil Right Division cases annually. It is assumed that it would require approximately 1.5 full-time equivalent (FTEs) positions per year to handle the increase workload. The agency estimates that these FTEs would require recurring costs of \$75,220 in salaries and \$40,490 in related support and benefit costs each fiscal year. Additional program costs include one-time costs of \$15,270 for new staff set up, and recurring costs of \$10,622 for rent and other related operating expenses

According to TWC, the cost of implementing the provisions of the bill must be funded by General Revenue as investigating complaints received under the bill are not eligible for reimbursements from Federal Funds. Current Federal Funds cover discrimination on the basis of race, color, national origin, religion, sex, age, and disability only.

The tables above do not include anticipated penalty revenue. According to the Comptroller of Public Accounts the amount and timing of any administrative penalty is unknown and the fiscal impact cannot be determined.

Technology

TWC estimates recurring technology costs of \$5,385 each fiscal year related to computer leases for the new FTEs required to implement 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, 320 Texas Workforce Commission

LBB Staff: UP, CL, NV, JLi, KVe