

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 1, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2089 by Darby (Relating to the repeal of certain occupational license fees and taxes.),
As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for HB2089, As Engrossed: a negative impact of (\$251,543,000) through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$125,052,000)
2017	(\$126,491,000)
2018	(\$127,586,000)
2019	(\$128,696,000)
2020	(\$129,817,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>Foundation School Fund</i> 193
2016	(\$93,449,000)	(\$31,603,000)
2017	(\$94,528,000)	(\$31,963,000)
2018	(\$95,349,000)	(\$32,237,000)
2019	(\$96,182,000)	(\$32,514,000)
2020	(\$97,023,000)	(\$32,794,000)

Fiscal Analysis

The bill would repeal certain occupational license fees and taxes.

The bill would repeal Sections 153.053, 201.153(b) and (c), 254.004(b), 351.153, 501.153, 801.154(b), (c) and (d), 901.406, 901.407, 901.410, 1001.206, 1051.652, 1052.0541, 1053.0521, 1071.1521, 1101.153, 1105.003(e), and 1152.053 of the Occupations Code; Subchapter H of Chapter 191 of the Tax Code; and Section 41 of Article 581-41, Vernon's Texas Civil Statutes.

All the sections to be repealed (except 153.053) charge additional fees of \$200 to be collected from chiropractors, dentists, optometrists and therapeutic optometrists, psychologists, veterinarians, accountants, engineers, architects, landscape architects, interior designers, land surveyors, real estate brokers, property tax consultants, attorneys, and investment representatives. From this fee \$50 is deposited to the Foundation School Fund (FSF) and the remaining \$150 to the General Revenue (GR) Fund. From the fee for real estate brokers, \$100 is deposited to GR, \$50 to the FSF, and \$50 to the Texas A&M Real Estate Center. Section 153.053, regarding physicians, has three additional fees (a \$200 license fee, a \$200 fee for license reinstatement after cancellation, and a \$400 fee for registration permits), with each allocated 75 percent to GR and 25 percent to the FSF.

The bill would amend Section 1101.154(a) of the Occupations Code to raise the additional broker license fee from \$20 to \$70. The Real Estate Commission would remit the additional fee collections to the Texas A&M Real Estate Center.

The bill would take effect September 1, 2015.

Methodology

The Comptroller's *2016-17 Biennial Revenue Estimate* was used, with projections made for 2018 and beyond, for determining the bill's fiscal impacts. The changes to 1101.153 and 1101.154 will offset each other with no net impact to the Texas A&M Real Estate Center.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 212 Office of Court Administration, Texas Judicial Council, 312 Securities Board, 329 Real Estate Commission, 457 Board of Public Accountancy, 459 Board of Architectural Examiners, 460 Board of Professional Engineers, 503 Texas Medical Board, 514 Optometry Board, 520 Board of Examiners of Psychologists, 578 Board of Veterinary Medical Examiners

LBB Staff: UP, AG, CL, SD, KK, AH