

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 8, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2089** by Darby (Relating to the repeal of certain occupational license fees and taxes.), Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB2089, Committee Report 1st House, Substituted: 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 General Revenue Fund 1	Probable Revenue Gain/(Loss) from Foundation School Fund 193	Probable Revenue Gain/(Loss) from Texas A&M Real Estate Center
2016	(\$93,449,000)	(\$31,603,000)	(\$1,360,000)
2017	(\$94,528,000)	(\$31,963,000)	(\$1,360,000)
2018	(\$95,349,000)	(\$32,237,000)	(\$1,360,000)
2019	(\$96,182,000)	(\$32,514,000)	(\$1,360,000)
2020	(\$97,023,000)	(\$32,794,000)	(\$1,360,000)

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All the sections to be repealed (except 153.053) charge additional fees of \$200 to be collected from chiropractors, dentists, optometrists and therapeutic optometrists, psychologists,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 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.

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