

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 18, 2015**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

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

**IN RE: HB2145** by Smithee (Relating to provisional authority for certain individual insurance license applicants to act as insurance agents; authorizing a fee; requiring an occupational provisional permit; adding provisions that may be subject to a criminal penalty.), **As Passed 2nd House**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Insurance Code relating to provisional authority for certain individual insurance license applicants to act as insurance agents; authorizing a fee; requiring an occupational provisional permit; adding provisions that may be subject to criminal penalty.

Based on information provided by the Texas Department of Insurance (TDI), the bill would amend the Insurance Code to allow TDI to issue a provisional permit to an applicant who is being considered for appointment as an agent by another agent, an insurer, or a health maintenance organization and charge a fee. TDI estimates that approximately 60,000 applicants would request this dual license. Assuming a \$50 filing fee, the bill could result in increased revenues totaling approximately \$3,000,000 each fiscal year that would be deposited to General Revenue-Dedicated Texas Department of Insurance Fund 36 (Fund 36). Since Fund 36 is a self-leveling account, this analysis also assumes that any additional revenue resulting from the implementation of the bill would accumulate in account fund balances and that TDI would adjust the assessment of the maintenance tax or other fees accordingly in the following year.

Additionally, this analysis assumes that all duties and responsibilities necessary to implement the provisions of the bill could be accomplished utilizing existing staff and resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** UP, SD, CL, AG, NV, ER