

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

**FISCAL NOTE, 85TH LEGISLATURE 1st CALLED SESSION - 2017**

**August 8, 2017**

**TO:** Honorable Richard Peña Raymond, Chair, House Committee on Human Services

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

**IN RE: HB293** by Johnson, Jarvis (Relating to the licensing and regulation of group homes for recovering substance abusers; authorizing a fee.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time due to uncertainties regarding the number of persons that would be subject to licensure and regulation, the amount of license and renewal fees, and the number of violations and fine amounts associated with noncompliance. However, this analysis assumes that fees and fines would be set at a level to offset the costs of licensure and regulation, and would result in a net zero fiscal impact to the state.

The bill would amend the Health and Safety Code to require certain individuals establishing or operating a group home for recovering substance abusers in Texas to obtain a license issued by the Health and Human Services Commission (HHSC). The bill would require the Executive Commission of HHSC to adopt rules governing the licensure and regulation of these group homes, and would authorize HHSC to conduct any inspection, survey, or investigation of these group homes that the Commission considers necessary. The bill would authorize HHSC to adopt fees for license application, denial, renewal, suspension, and revocation to cover the cost of administration of these provisions. The bill would take effect December 1, 2017.

Implementing the provisions of the bill would result in a significant fiscal impact, but the information necessary to make appropriate assumptions to determine the impact, including the number of group homes that would require a license, is not available. HHSC indicates that additional FTEs would be required to create policy and rules, process licenses, conduct licensure and investigative visits, and to develop surveyor standards, curriculum, and enforcement requirements. HHSC does not currently regulate these types of facilities. According to the Comptroller of Public Accounts, the amount of revenue that would be collected through fees and fines cannot be determined.

Although the costs associated with implementing the provisions of the bill cannot be determined at this time, this analysis assumes that revenue collected through fees and fines associated with the licensure and regulation of these group homes would be set at a level to offset the costs of implementing the provisions of the bill, and would result in a net zero fiscal impact to the state.

## **Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts, 529 Health and Human Services Commission

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