

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 7, 2017

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2615 by Goldman (Relating to the licensing of towing operators and vehicle storage facility employees by the Texas Department of Licensing and Regulation.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2615, As Engrossed: a negative impact of (\$399,900) through the biennium ending August 31, 2019.

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
2018	(\$191,350)
2019	(\$208,550)
2020	(\$227,300)
2021	(\$247,800)
2022	(\$270,100)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from General Revenue Fund 1	Probable Revenue (Loss) from General Revenue Fund 1
2018	\$382,700	(\$574,050)
2019	\$417,100	(\$625,650)
2020	\$454,600	(\$681,900)
2021	\$495,600	(\$743,400)
2022	\$540,200	(\$810,300)

Fiscal Analysis

The bill would repeal the dual tow operator/vehicle storage facility employee license, and instead allow those with any of three other licenses to also work in a vehicle storage facility.

The bill would take effect September 1, 2017.

Methodology

According to information provided by the Texas Department of Licensing and Regulation (TDLR), the population of dual tow operator/vehicle storage facility employee licenses has grown at an annual rate of 9%; it is estimated to be 3,827 in fiscal year 2018 and grow to 5,402 by fiscal year 2022.

The dual licenses cost \$150 per license. TDLR assumes that once dual licenses are eliminated, and those with a towing operator's license are allowed to work in a vehicle storage facility per the provisions of the bill, licensees will only obtain the towing operator's license, which costs \$100 per license.

Assuming the same population of licensees, and a net loss of \$50 per license, this would result in a loss of revenue to the General Revenue Fund of \$191,350 in fiscal year 2018 and increase to a loss of \$270,100 by fiscal year 2022.

Based on the analysis of TDLR, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 452 Department of Licensing and Regulation

LBB Staff: UP, CL, EH, JQ, JGA, LCO