

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 17, 2019

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

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB1523** by Nevárez (Relating to the continuation of the regulation of land surveyors and the transfer of the regulation to the Texas Board of Professional Engineers and Land Surveyors, following the recommendations of the Sunset Advisory Commission; changing fees.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1523, Committee Report 2nd House, Substituted: a negative impact of (\$156,892) through the biennium ending August 31, 2021.

The Texas Board of Professional Engineers and Land Surveyors, Board of Professional Land Surveying, Board of Professional Engineers, and any other state agency subject to this Act are required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the agencies may, but are not required to, implement a provision of this Act using other appropriations available for that purpose. The Texas Board of Professional Engineers and Land Surveyors, created by this Act, is a self-directed, semi-independent state agency that does not receive appropriations from the Legislature.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	\$0
2021	(\$156,892)
2022	(\$156,892)
2023	(\$156,892)
2024	(\$156,892)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Appropriated Receipts</i> 666	Change in Number of State Employees from FY 2019
2020	\$0	\$0	\$0	0.0
2021	(\$625,000)	\$468,108	\$12,500	(6.0)
2022	(\$625,000)	\$468,108	\$12,500	(6.0)
2023	(\$625,000)	\$468,108	\$12,500	(6.0)
2024	(\$625,000)	\$468,108	\$12,500	(6.0)

Fiscal Analysis

This bill would amend the Occupations Code to implement Sunset Commission recommendations to abolish the Texas Board of Professional Land Surveying (TBPLS) and transfer the regulation of the profession of land surveying to the Texas Board of Professional Engineers (TBPE), forming the Texas Board of Professional Engineers and Land Surveyors (TBPELS) and maintaining the TBPE's status as a self-directed, semi-independent (SDSI) state agency. The two boards would work together and complete this task not later than September 1, 2020.

The bill would make conforming amendments to the Civil Practice and Remedies Code, Government Code, Health and Safety Code, Insurance Code, Natural Resources Code, Occupations Code, and Water Code.

The bill states the TBPELS and any other state agency subject to the bill would be required to implement the provisions of the bill only if the Legislature appropriates money specifically for that purpose. The bill would take effect on September 1, 2019.

Methodology

The bill continues the TBPLS in existence through the first year of the biennium for the purpose of transferring obligations, property, rights, powers, and duties to the TBPELS. The transfer must be completed by September 1, 2020. Beginning in fiscal year 2021, as a result of the abolishment of the TBPLS, professional fees from land surveyors would no longer be collected and deposited into the General Revenue Fund. According to the Comptroller of Public Accounts, this would result in a revenue loss of approximately \$625,000 per fiscal year. This analysis assumes the TBPLS will continue to collect professional fees through August 31, 2020, therefore the revenue loss to the General Revenue Fund will begin in fiscal year 2021. Beginning in fiscal year 2021, an estimated cost savings of \$468,108 in General Revenue Funds and \$12,500 in Appropriated Receipts funds and a reduction of six FTE positions is expected per fiscal year because the regulation of the profession of land surveying will no longer be a cost to state funds. This would result in a net negative fiscal impact of \$156,892 to General Revenue Funds beginning in fiscal year 2021.

According to TBPE, it will be necessary to add up to four additional FTE positions to regulate the land surveyors. Additionally, TBPE expects to have increased costs in professional services, travel, and other operating expenses. However, any additional costs will be absorbed by the agency in SDSI status and have no fiscal impact to the state.

TBPELS would be a SDSI agency and would be required to set fees in an amount to cover the costs of regulation. As a SDSI agency, the TBPELS would not be appropriated any state funds. Due to the provision that the state agency is only required to implement a provision of the Act if the legislature appropriates money specifically for that purpose, it is possible that TBPELS would not

be required to implement the Act.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts, 460 Board of Professional Engineers, 464 Board of Professional Land Surveying

LBB Staff: WP, DFR, CLo, SGr, SD, CMa