

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 12, 2019

TO: Honorable Dade Phelan, Chair, House Committee on State Affairs

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

IN RE: **HB1550** by Paddie (Relating to certain governmental entities subject to the sunset review process.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1550, As Introduced: an impact of \$0 through the biennium ending August 31, 2021.

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
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>Appropriated Receipts</i> 666	Probable Revenue Gain from <i>Appropriated Receipts</i> 666
2020	(\$113,771)	\$113,771
2021	(\$13,086)	\$13,086
2022	\$0	\$0
2023	\$0	\$0
2024	\$0	\$0

Fiscal Analysis

The bill would require the following agencies, which underwent Sunset review during the 2018-2019 biennium, to undergo Sunset review during the 2020-21 biennium:

- 1) Texas Alcoholic Beverage Commission
- 2) Finance Commission
- 3) Department of Banking (DOB)
- 4) Department of Savings and Mortgage Lending (SML)
- 5) Office of Consumer Credit Commissioner (OCCC)
- 6) Department of Public Safety
- 7) Texas Veterans Commission
- 8) Texas Military Department
- 9) Texas State Library and Archives Commission
- 10) Texas Historical Commission
- 11) Texas Windstorm Insurance Association (TWIA)
- 12) Risk Management Board and State Office of Risk Management
- 13) School Land Board
- 14) Veterans' Land Board
- 15) Texas Medical Board
- 16) Texas State Board of Examiners of Psychologists
- 17) Texas State Board of Examiners of Marriage and Family Therapists
- 18) Texas State Board of Examiners of Professional Counselors
- 19) Texas State Board of Social Worker Examiners
- 20) Texas Funeral Service Commission
- 21) Texas State Board of Public Accountancy (TSBPA)
- 22) Texas Board of Professional Geoscientists
- 23) Texas Board of Professional Land Surveying
- 24) Texas Real Estate Commission (TREC)
- 25) Texas Appraiser Licensing and Certification Board (TALCB)
- 26) Texas State Board of Plumbing Examiners
- 27) Lower Colorado River Authority (LCRA)
- 28) Texas Department of Motor Vehicles
- 29) State Securities Board
- 30) Guadalupe-Blanco River Authority (GBRA)
- 31) Nueces River Authority (Nueces RA)
- 32) Red River Authority of Texas (RRA)

Methodology

The following agencies are statutorily required to pay for costs incurred by the Sunset Advisory Commission (SAC) in performing their reviews: Finance Commission, DOB, SML, OCCC, TWIA, TSBPA, TREC, TALCB, LCRA, GBRA, Nueces RA, RRA.

The costs and savings reflect SAC anticipated costs of \$9,905 per analyst for each month required to conduct a review. This amount includes the costs for salaries, benefits, and other operating costs necessary for staff to conduct these reviews. Travel costs are calculated for each review individually. Because these agencies underwent full reviews in 2018-2019, it is assumed that the 2020-2021 reviews would be limited to verifying the appropriateness of SAC's 2018-2019 recommendations. This analysis assumes the following for review changes made by the bill:

1) Costs would be realized from two analyst positions conducting a two month review of the three Finance Commission agencies, DOB, SML, and OCCC. Total costs for this project would be \$19,129 in fiscal year 2020 and \$1,981 for fiscal year 2021. Costs include the following:

a) DOB costs and revenue offsets include \$9,564 in fiscal year 2020 and \$991 in fiscal year 2021.

b) SML costs and revenue offsets include \$4,782 in fiscal year 2020 and \$495 in fiscal year 2021.

c) OCCC costs and revenue offsets include \$4,782 in fiscal year 2020 and \$495 in fiscal year 2021.

2) Costs would be realized from one analyst position conducting a two month review of TWIA. Total costs for this project would be \$18,429 in fiscal year 2020 and \$1,981 for fiscal year 2021.

3) Costs would be realized from one analyst position conducting a two month review of TSBPA. Total costs for this project would be \$18,429 in fiscal year 2020 and \$1,981 for fiscal year 2021.

4) Costs would be realized from one analyst position conducting a two month review of TREC. Total costs for this project would be \$18,429 in fiscal year 2020 and \$1,981 for fiscal year 2021.

5) Costs would be realized from one analyst position conducting a two month review of LCRA. Total costs for this project would be \$18,929 in fiscal year 2020 and \$2,281 for fiscal year 2021.

6) Costs would be realized from one analyst position conducting a two month review of GBRA, Nueces RA, and RRA. Total costs for this project would be \$20,429 in fiscal year 2020 and \$2,881 for fiscal year 2021. Costs include the following:

a) GBRA costs and revenue offsets include \$11,897 in fiscal year 2020 and \$1,489 in fiscal year 2021.

b) Nueces RA costs and revenue offsets include \$4,065 in fiscal year 2020 and \$696 in fiscal year 2021.

c) RRA costs and revenue offsets include \$4,465 in fiscal year 2020 and \$696 in fiscal year 2021.

This analysis, based on information provided by SAC, assumes the additional reviews required in the bill would have no fiscal impact to the state.

Local Government Impact

Entities, agencies, and river authorities required to reimburse SAC would realize costs of the reviews.

Source Agencies: 116 Sunset Advisory Commission

LBB Staff: WP, CMa, SD, MMF