

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 14, 2019

TO: Honorable Tracy O. King, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: **HB2667** by Guillen (Relating to the licensing and regulation of certain occupations and activities; providing administrative penalties; requiring occupational licenses; authorizing fees; creating criminal offenses.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2667, Committee Report 1st House, Substituted: a negative impact of (\$53,940) through the biennium ending August 31, 2021.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$10,022)
2021	(\$43,918)
2022	(\$51,138)
2023	(\$105,874)
2024	(\$172,438)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2020	(\$10,022)
2021	(\$43,918)
2022	(\$51,138)
2023	(\$105,874)
2024	(\$172,438)

Fiscal Analysis

The bill would create the statutory authority for the Court-Ordered Educational Programs in the Government Code. The bill would authorize the Texas Commission of Licensing and Regulation (the Commission) to determine the length of license terms, license fees for renewal, and

continuing education. The bill would require the Texas Department of Licensing and Regulation (TDLR) to establish basic education requirements for midwifery preceptors and students. The bill would change certain inspection cycles for barbering, cosmetology, and massage establishments. The bill would create a dual shop and massage establishment license, authorizing TDLR to regulate these establishments that offer barbering, cosmetology, and massage services under one license type. The bill would decrease the frequency of inspections for used automotive parts recycling facilities.

The bill would take effect on September 1, 2019 except for certain sections related to the Court-Ordered Educational Programs which would take effect on September 1, 2020.

Methodology

Court-Ordered Educational Programs

TDLR currently performs the duties required in the Court-Ordered Educational Programs provisions included in the bill pursuant to various sections of the Alcoholic Beverage, Transportation, Criminal Procedure, and Family Codes. Any requirements not currently in place, such as creating a code of ethics, could be accomplished with existing resources.

Dual Shop and Massage Establishment License

Based on comparison with the current dual barber and beauty shop licenses, TDLR estimates the dual shop and massage establishment license would experience a similar pattern of growth. The agency expects the dual fee would be approximately \$230 for a new license and \$200 for a renewal, resulting in an estimated revenue increase of \$28,060 in fiscal year 2020, \$130,640 in fiscal year 2021, \$147,210 in fiscal year 2022, \$277,850 in fiscal year 2023, and \$479,790 in fiscal year 2024 to the General Revenue Fund. This would be offset by a corresponding decrease in the number of stand-alone beauty shop, barber shop, and massage establishment licenses. The loss the first year would be approximately \$38,082, the second year approximately \$174,558, the third year approximately \$198,348, the fourth year approximately \$383,724, and the fifth year approximately \$652,228 to the General Revenue Fund.

Based on information provided by TDLR, this analysis assumes that the duties and responsibilities associated with implementing the other provisions of the bill could be accomplished by utilizing existing resources. Any increased cost to TDLR, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee generated revenue.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 452 Department of Licensing and Regulation

LBB Staff: WP, CLo, SGr, DFR