

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 3, 2019**

**TO:** Honorable Senfronia Thompson, Chair, House Committee on Public Health

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

**IN RE: HB4346** by Lozano (Relating to the regulation of off-site restaurant services; authorizing a permit; authorizing a fee.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would allow an off-site restaurant service operator to provide services directly or under contract with an off-site restaurant service broker, according to rules set by the Health and Human Services Commission (HHSC). The bill would prohibit a home-rule municipality from imposing a requirement more stringent than the requirements prescribed by HHSC or that relates to an issue not specifically addressed in HHSC's rules.

The bill would allow a home-rule municipality to require a food services operator to obtain a catering permit and an owner of an off-site restaurant service location to obtain a permit before providing food services, and the municipality would be allowed to charge a reasonable fee for the permit. The Comptroller of Public Accounts (CPA) indicates that the impact of the bill on the state and local units of government cannot be estimated, as the number of home-rule municipalities in which off-site restaurant services are provided is unknown, and the amount of off-site restaurant service permit fees is unknown.

The Department of State Health Services (DSHS) indicates that the bill would require the agency to revise the definition of a food establishment in the Texas Food Establishment Rules and update current policies on catering operations. According to DSHS and HHSC, the provisions of the bill could be accomplished with existing resources.

The bill's provisions would only apply to off-site restaurant services provided on or after January 1, 2020.

**Local Government Impact**

According to the CPA, the impact of the bill on local revenue cannot be determined, as the number of home-rule municipalities in which off-site restaurant services are provided is unknown, and the amount of off-site restaurant service permit fees is unknown.

According to the Texas Association of Counties and the Texas Municipal League, no significant fiscal impact to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 537 State Health Services, Department of

**LBB Staff:** WP, AKi, JQ, MNa, AF, AMa