

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 25, 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: **SB787** by Hancock (Relating to a reduced licensing fee for certain former license holders.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB787, As Introduced: a negative impact of (\$6,000,000) 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 | (\$3,000,000) |
| 2021 | (\$3,000,000) |
| 2022 | (\$3,000,000) |
| 2023 | (\$3,000,000) |
| 2024 | (\$3,000,000) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue (Loss) from <i>General Revenue Fund</i> 1 |
|-------------|--|
| 2020 | (\$3,000,000) |
| 2021 | (\$3,000,000) |
| 2022 | (\$3,000,000) |
| 2023 | (\$3,000,000) |
| 2024 | (\$3,000,000) |

Fiscal Analysis

The bill would amend Chapter 57 of the Occupations Code to require a state agency that issues a license to charge a reduced application or renewal fee, not to exceed one-third of the usual fee, if the applicant has become a parent by natural birth or adoption within the two years preceding the application date and the applicant held an active license for which they are applying immediately before the birth or adoption.

The bill would take effect September 1, 2019.

Methodology

According to analysis from the Comptroller's Office, based on fiscal year 2017 license renewal fee revenue and assuming a three percent two-year birth rate would apply to the existing licensed population, the provisions of the bill would result in a loss of approximately \$3,000,000 per fiscal year to the General Revenue Fund.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

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