

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 6, 2019

TO: Honorable Joan Huffman, Chair, Senate Committee on State Affairs

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

IN RE: **SB1995** by Birdwell (relating to the review of certain occupational licensing rules by the office of the governor.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1995, Committee Report 1st House, Substituted: a negative impact of (\$1,006,482) 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.

The Office of the Governor is 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 Office of the Governor may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$503,241)
2021	(\$503,241)
2022	(\$503,241)
2023	(\$503,241)
2024	(\$503,241)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2020	(\$503,241)
2021	(\$503,241)
2022	(\$503,241)
2023	(\$503,241)
2024	(\$503,241)

Fiscal Year	Change in Number of State Employees from FY 2019
2020	4.0
2021	4.0
2022	4.0
2023	4.0
2024	4.0

Fiscal Analysis

The bill would amend the Occupations Code to create a new subchapter to establish a division within the Office of the Governor to review state agency rules. The Governor is directed to appoint a director of the division who is licensed to practice law and has experience in antitrust law. The bill directs all state agencies that issue a license to any business, occupation, or profession to submit to the new division a proposed rule affecting market competition in this state. These same state agencies must also submit to the division for review any rule that the agency is considering for readoption, if the rule affects market competition. The bill also gives the new division authority to review any rule that was not submitted for review if the division has reason to believe that the proposed rule may have an anticompetitive market effect. After review, the division must provide to the state agency and make available to the public an explanation of the division's reasons for approving or rejecting the rule. A state agency may not finally adopt or implement a proposed rule required to be submitted for review unless the division has approved the rule.

The bill would take effect September 1, 2019.

Methodology

In order to implement the provisions of the legislation, which require the Office of the Governor to create a new division to review certain agency rule making, the Office of the Governor has indicated the need for four FTEs to staff the new division. These FTEs will include one General Counsel V, two General Counsel II, and a Legal Assistant II positions at a total salary cost of \$370,000 per year. The related benefits and payroll contributions for these four FTEs are \$129,241 per year. Additionally, the agency is projecting a yearly cost of \$1,000 per FTE in other related administrative costs. This results in a fiscal impact of \$503,241 each fiscal year for the creation of this new division.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 300 Truusted Programs Within the Office of the Governor

LBB Staff: WP, JSm, CMa, NV