

SENATE AMENDMENTS

2nd Printing

By: Paddie, Flynn, Thompson of Harris,
Lambert

H.B. No. 1550

A BILL TO BE ENTITLED

AN ACT

1
2 relating to certain governmental entities subject to the sunset
3 review process.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 5.01(b), Alcoholic Beverage Code, is
6 amended to read as follows:

7 (b) The Texas Alcoholic Beverage Commission is subject to
8 Chapter 325, Government Code (Texas Sunset Act). Unless continued
9 in existence as provided by that chapter, the commission is
10 abolished and Subchapter A, Chapter 5, expires September 1, 2021
11 [~~2019~~].

12 SECTION 2. Section 11.108, Finance Code, is amended to read
13 as follows:

14 Sec. 11.108. SUNSET PROVISION. The finance commission is
15 subject to Chapter 325, Government Code (Texas Sunset Act). Unless
16 continued in existence as provided by that chapter, the commission
17 is abolished September 1, 2021 [~~2019~~].

18 SECTION 3. Section 12.109, Finance Code, is amended to read
19 as follows:

20 Sec. 12.109. SUNSET PROVISION. The office of banking
21 commissioner is subject to Chapter 325, Government Code (Texas
22 Sunset Act). Unless continued in existence as provided by that
23 chapter, the office is abolished September 1, 2021 [~~2019~~].

24 SECTION 4. Section 13.012, Finance Code, is amended to read

1 as follows:

2 Sec. 13.012. SUNSET PROVISION. The office of savings and
3 mortgage lending commissioner and the Department of Savings and
4 Mortgage Lending are subject to Chapter 325, Government Code (Texas
5 Sunset Act). Unless continued in existence as provided by that
6 chapter, the office and department are abolished September 1, 2021
7 [~~2019~~].

8 SECTION 5. Section 14.066, Finance Code, is amended to read
9 as follows:

10 Sec. 14.066. SUNSET PROVISION. The office is subject to
11 Chapter 325, Government Code (Texas Sunset Act). Unless continued
12 in existence as provided by that chapter, the office is abolished
13 September 1, 2021 [~~2019~~].

14 SECTION 6. Section 411.002(c), Government Code, is amended
15 to read as follows:

16 (c) The Department of Public Safety of the State of Texas is
17 subject to Chapter 325 (Texas Sunset Act). Unless continued in
18 existence as provided by that chapter, the department is abolished
19 and Subsections (a) and (b) expire September 1, 2021 [~~2019~~].

20 SECTION 7. Section 434.002(a), Government Code, is amended
21 to read as follows:

22 (a) The Texas Veterans Commission is subject to Chapter 325
23 (Texas Sunset Act). Unless continued in existence as provided by
24 that chapter, the commission is abolished September 1, 2021 [~~2019~~].

25 SECTION 8. Section 437.051, Government Code, is amended to
26 read as follows:

27 Sec. 437.051. SUNSET PROVISION. The department is subject

1 to Chapter 325 (Texas Sunset Act). Unless continued in existence as
2 provided by that chapter, the department is abolished and this
3 subchapter expires September 1, 2021 [~~2019~~].

4 SECTION 9. Section 441.001(q), Government Code, is amended
5 to read as follows:

6 (q) The Texas State Library and Archives Commission is
7 subject to Chapter 325 (Texas Sunset Act). Unless continued in
8 existence as provided by that chapter, the commission is abolished
9 September 1, 2021 [~~2019~~].

10 SECTION 10. Section 442.002(k), Government Code, is amended
11 to read as follows:

12 (k) The Texas Historical Commission is subject to Chapter
13 325 (Texas Sunset Act). Unless continued in existence as provided
14 by that chapter, the commission is abolished and this chapter
15 expires September 1, 2021 [~~2019~~].

16 SECTION 11. Section 2210.002(b), Insurance Code, is amended
17 to read as follows:

18 (b) The association is subject to review under Chapter 325,
19 Government Code (Texas Sunset Act), but is not abolished under that
20 chapter. The association shall be reviewed during the period in
21 which state agencies abolished in 2021 [~~2019~~] are reviewed. The
22 association shall pay the costs incurred by the Sunset Advisory
23 Commission in performing the review of the association under this
24 subsection. The Sunset Advisory Commission shall determine the
25 costs of the review performed under this subsection, and the
26 association shall pay the amount of those costs promptly on receipt
27 of a statement from the Sunset Advisory Commission regarding those

1 costs. This subsection expires September 1, 2021 [~~2019~~].

2 SECTION 12. Section 412.021(f), Labor Code, is amended to
3 read as follows:

4 (f) The risk management board and the office are subject to
5 Chapter 325, Government Code (Texas Sunset Act). Unless continued
6 in existence as provided by that chapter, the board is abolished and
7 this section expires September 1, 2021 [~~2019~~].

8 SECTION 13. Section 32.003, Natural Resources Code, is
9 amended to read as follows:

10 Sec. 32.003. APPLICATION OF SUNSET ACT. The School Land
11 Board is subject to Chapter 325, Government Code (Texas Sunset
12 Act). Unless continued in existence as provided by that chapter,
13 the board is abolished September 1, 2021 [~~2019~~].

14 SECTION 14. Section 161.0111, Natural Resources Code, is
15 amended to read as follows:

16 Sec. 161.0111. SUNSET PROVISION. The Veterans' Land Board
17 is subject to review under Chapter 325, Government Code (Texas
18 Sunset Act), but is not abolished under that chapter. The board
19 shall be reviewed during the period in which state agencies
20 abolished in 2021 are reviewed [~~2019~~] and every 12th year after that
21 [~~2019 are reviewed~~].

22 SECTION 15. Section 151.004, Occupations Code, is amended
23 to read as follows:

24 Sec. 151.004. APPLICATION OF SUNSET ACT. The Texas Medical
25 Board is subject to Chapter 325, Government Code (Texas Sunset
26 Act). Unless continued in existence as provided by that chapter,
27 the board is abolished and this subtitle and Chapters 204, 205, 206,

1 601, 602, 603, and 604 expire September 1, 2021 [~~2019~~].

2 SECTION 16. Section 501.005, Occupations Code, is amended
3 to read as follows:

4 Sec. 501.005. APPLICATION OF SUNSET ACT. The Texas State
5 Board of Examiners of Psychologists is subject to Chapter 325,
6 Government Code (Texas Sunset Act). Unless continued in existence
7 as provided by that chapter, the board is abolished and this chapter
8 expires September 1, 2021 [~~2019~~].

9 SECTION 17. Section 502.003, Occupations Code, is amended
10 to read as follows:

11 Sec. 502.003. APPLICATION OF SUNSET ACT. The Texas State
12 Board of Examiners of Marriage and Family Therapists is subject to
13 Chapter 325, Government Code (Texas Sunset Act). Unless continued
14 in existence as provided by that chapter, the board is abolished and
15 this chapter expires September 1, 2021 [~~2019~~].

16 SECTION 18. Section 503.005, Occupations Code, is amended
17 to read as follows:

18 Sec. 503.005. APPLICATION OF SUNSET ACT. The Texas State
19 Board of Examiners of Professional Counselors is subject to Chapter
20 325, Government Code (Texas Sunset Act). Unless continued in
21 existence as provided by that chapter, the board is abolished
22 September 1, 2021 [~~2019~~].

23 SECTION 19. Section 505.005, Occupations Code, is amended
24 to read as follows:

25 Sec. 505.005. APPLICATION OF SUNSET ACT. The Texas State
26 Board of Social Worker Examiners is subject to Chapter 325,
27 Government Code (Texas Sunset Act). Unless continued in existence

1 as provided by that chapter, the board is abolished and Section
2 505.101 expires September 1, 2021 [~~2019~~].

3 SECTION 20. Section 651.002, Occupations Code, is amended
4 to read as follows:

5 Sec. 651.002. APPLICATION OF SUNSET ACT. The Texas Funeral
6 Service Commission is subject to Chapter 325, Government Code
7 (Texas Sunset Act). Unless continued in existence as provided by
8 that chapter, the commission is abolished and this chapter expires
9 September 1, 2021 [~~2019~~].

10 SECTION 21. Section 901.006, Occupations Code, is amended
11 to read as follows:

12 Sec. 901.006. APPLICATION OF SUNSET ACT. The Texas State
13 Board of Public Accountancy is subject to Chapter 325, Government
14 Code (Texas Sunset Act). Unless continued in existence as provided
15 by that chapter, the board is abolished and this chapter expires
16 September 1, 2021 [~~2019~~].

17 SECTION 22. Section 1002.003, Occupations Code, is amended
18 to read as follows:

19 Sec. 1002.003. APPLICATION OF SUNSET ACT. The Texas Board
20 of Professional Geoscientists is subject to Chapter 325, Government
21 Code (Texas Sunset Act). Unless continued in existence as provided
22 by that chapter, the board is abolished and this chapter expires
23 September 1, 2021 [~~2019~~].

24 SECTION 23. Section 1071.003, Occupations Code, is amended
25 to read as follows:

26 Sec. 1071.003. APPLICATION OF SUNSET ACT. The Texas Board
27 of Professional Land Surveying is subject to Chapter 325,

1 Government Code (Texas Sunset Act). Unless continued in existence
2 as provided by that chapter, the board is abolished and this chapter
3 expires September 1, 2021 [~~2019~~].

4 SECTION 24. Section 1101.006, Occupations Code, is amended
5 to read as follows:

6 Sec. 1101.006. APPLICATION OF SUNSET ACT. The Texas Real
7 Estate Commission is subject to Chapter 325, Government Code (Texas
8 Sunset Act). Unless continued in existence as provided by that
9 chapter, the commission is abolished and this chapter, Chapter
10 1102, and Chapter 1303 of this code and Chapter 221, Property Code,
11 expire September 1, 2021 [~~2019~~].

12 SECTION 25. Section 1103.006, Occupations Code, is amended
13 to read as follows:

14 Sec. 1103.006. APPLICATION OF SUNSET ACT. The Texas
15 Appraiser Licensing and Certification Board is subject to Chapter
16 325, Government Code (Texas Sunset Act). Unless continued in
17 existence as provided by that chapter, the board is abolished and
18 this chapter and Chapter 1104 expire September 1, 2021 [~~2019~~].

19 SECTION 26. Section 1301.003, Occupations Code, is amended
20 to read as follows:

21 Sec. 1301.003. APPLICATION OF SUNSET ACT. The Texas State
22 Board of Plumbing Examiners is subject to Chapter 325, Government
23 Code (Texas Sunset Act). Unless continued in existence as provided
24 by that chapter, the board is abolished and this chapter expires
25 September 1, 2021 [~~2019~~].

26 SECTION 27. Section 8503.0021(a), Special District Local
27 Laws Code, is amended to read as follows:

1 (a) The authority is subject to review under Chapter 325,
2 Government Code (Texas Sunset Act), but may not be abolished under
3 that chapter. The review shall not include the management of the
4 generation or transmission of electricity under the wholesale
5 electricity operation of the authority and the authority's
6 affiliated nonprofit corporations. The review shall be conducted
7 under Section 325.025, Government Code, as if the authority were a
8 state agency scheduled to be abolished September 1, 2021 [~~2019~~],
9 and every 12th year after that year.

10 SECTION 28. Section 1001.005, Transportation Code, is
11 amended to read as follows:

12 Sec. 1001.005. SUNSET PROVISION. The department is subject
13 to Chapter 325, Government Code (Texas Sunset Act). Unless
14 continued in existence as provided by that chapter, the department
15 is abolished September 1, 2021 [~~2019~~].

16 SECTION 29. Subsection O, Section 2, The Securities Act
17 (Article 581-2, Vernon's Texas Civil Statutes), is amended to read
18 as follows:

19 O. The State Securities Board is subject to Chapter 325,
20 Government Code (Texas Sunset Act). Unless continued in existence
21 as provided by that chapter, the board is abolished and this Act
22 expires September 1, 2021 [~~2019~~].

23 SECTION 30. Section 1A(a), Chapter 75, Acts of the 43rd
24 Legislature, 1st Called Session, 1933, is amended to read as
25 follows:

26 (a) The District is subject to review under Chapter 325,
27 Government Code (Texas Sunset Act), but may not be abolished under

1 that chapter. The review shall be conducted under Section 325.025,
2 Government Code, as if the District were a state agency scheduled to
3 be abolished September 1, 2021 [~~2019~~], and every 12th year after
4 that year.

5 SECTION 31. Section 1.02A(a), Chapter 427, Acts of the 44th
6 Legislature, 1st Called Session, 1935, is amended to read as
7 follows:

8 (a) The authority is subject to review under Chapter 325,
9 Government Code (Texas Sunset Act), but may not be abolished under
10 that chapter. The review shall be conducted under Section 325.025,
11 Government Code, as if the authority were a state agency scheduled
12 to be abolished September 1, 2021 [~~2019~~], and every 12th year after
13 that year.

14 SECTION 32. Section 1A(a), Chapter 279, Acts of the 56th
15 Legislature, Regular Session, 1959, is amended to read as follows:

16 (a) The Authority is subject to review under Chapter 325,
17 Government Code (Texas Sunset Act), but may not be abolished under
18 that chapter. The review shall be conducted under Section 325.025,
19 Government Code, as if the Authority were a state agency scheduled
20 to be abolished September 1, 2021 [~~2019~~], and every 12th year after
21 that year.

22 SECTION 33. If a conflict exists between this Act and
23 another Act of the 86th Legislature, Regular Session, 2019, that
24 extends the sunset date of a governmental entity, the provisions of
25 the other Act prevail without regard to the relative dates of
26 enactment.

27 SECTION 34. This Act takes effect immediately if it

H.B. No. 1550

1 receives a vote of two-thirds of all the members elected to each
2 house, as provided by Section 39, Article III, Texas Constitution.
3 If this Act does not receive the vote necessary for immediate
4 effect, this Act takes effect September 1, 2019.

ADOPTED

VV
MAY 22 2019

Henry Paul
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Bridwell*

- 1 Amend H.B. No. 1550 (senate committee printing) as follows:
- 2 (1) Strike SECTIONS 2 through 4 of the bill (page 1, lines 32
- 3 through 51).
- 4 (2) Strike SECTION 12 of the bill (page 2, lines 39 through
- 5 44).
- 6 (3) Strike SECTION 22 of the bill (page 3, lines 39 through
- 7 45).
- 8 (4) Strike SECTION 27 of the bill (page 4, lines 6 through
- 9 16).
- 10 (5) Strike SECTIONS 30 through 32 of the bill (page 4, lines
- 11 30 through 55).
- 12 (6) Renumber the SECTIONS of the bill accordingly.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

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 Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1550, As Passed 2nd House: 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	(\$60,069)	\$60,069
2021	(\$6,438)	\$6,438
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) Office of Consumer Credit Commissioner (OCCC)
- 3) Department of Public Safety
- 4) Texas Veterans Commission
- 5) Texas Military Department
- 6) Texas State Library and Archives Commission
- 7) Texas Historical Commission
- 8) Texas Windstorm Insurance Association (TWIA)
- 9) School Land Board
- 10) Veterans' Land Board
- 11) Texas Medical Board
- 12) Texas State Board of Examiners of Psychologists
- 13) Texas State Board of Examiners of Marriage and Family Therapists
- 14) Texas State Board of Examiners of Professional Counselors
- 15) Texas State Board of Social Worker Examiners
- 16) Texas Funeral Service Commission
- 17) Texas State Board of Public Accountancy (TSBPA)
- 18) Texas Board of Professional Land Surveying
- 19) Texas Real Estate Commission (TREC)
- 20) Texas Appraiser Licensing and Certification Board (TALCB)
- 21) Texas State Board of Plumbing Examiners
- 22) Texas Department of Motor Vehicles
- 23) State Securities Board

Methodology

The following agencies are statutorily required to pay for costs incurred by the Sunset Advisory Commission (SAC) in performing their reviews: OCCC, TWIA, TSBPA, TREC, and TALCB.

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 review of the OCCC. Total 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 and revenue offsets 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 and revenue offsets 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 (includes TALCB). Total costs and revenue offsets for this project would be \$18,429 in fiscal year 2020 and \$1,981 for 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 and agencies required to reimburse SAC would realize costs of the reviews.

Source Agencies: 116 Sunset Advisory Commission

LBB Staff: WP, SZ, CMA, SD, MMF

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 17, 2019

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

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 Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1550, As Engrossed: 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 Appropriated Receipts 666	Probable Revenue Gain from Appropriated Receipts 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, SZ, CMa, SD, MMF

**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