

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 31, 2021**

**TO:** Honorable Senfronia Thompson, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB1560** by Goldman (Relating to the continuation and functions of the Texas Department of Licensing and Regulation.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1560, As Introduced : a positive impact of \$241,030 through the biennium ending August 31, 2023.

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:**

<i>Fiscal Year</i>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2022	\$356,794
2023	(\$115,764)
2024	(\$186,164)
2025	(\$186,164)
2026	(\$186,164)

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>	<b>Probable Revenue Gain/(Loss) from General Revenue Fund 1</b>	<b>Probable Revenue Gain/(Loss) from Auction Educ &amp; Rec Trust 898</b>	<b>Probable Revenue Gain/(Loss) from Priv Beauty Culture Sch 108</b>
2022	\$163,911	\$192,883	(\$394,733)	(\$202,000)
2023	\$163,911	(\$279,675)	\$0	\$0
2024	\$163,911	(\$350,075)	\$0	\$0
2025	\$163,911	(\$350,075)	\$0	\$0
2026	\$163,911	(\$350,075)	\$0	\$0

<i>Fiscal Year</i>	<b>Probable Revenue Gain/(Loss) from Barber School Tuition Protection 5081</b>	<b>Probable Revenue Gain/(Loss) from New Barbering and Cosmetology School Tuition Protection Account NEW-GR-DED</b>	<b>Change in Number of State Employees from FY 2021</b>
2022	(\$25,000)	\$227,000	(2.0)
2023	\$0	\$0	(2.0)
2024	\$0	\$0	(2.0)
2025	\$0	\$0	(2.0)
2026	\$0	\$0	(2.0)

## **Fiscal Analysis**

The bill would continue the Texas Department of Licensing and Regulation (TDLR) until September 1, 2033.

The bill would eliminate the auctioneers program, polygraph examiners program, combative sports matchmaker, event coordinator and second licenses. The bill would consolidate Texas' regulation of barbers and cosmetologists, and administer the two programs as one. The bill eliminates the separate Barber School Tuition Protection Account and Private Beauty Culture School Tuition Protection Account and creates a single Barbering and Cosmetology School Tuition Protection Account. The bill would eliminate all wig-related licenses and state regulation of barber poles.

The bill would eliminate the separate drug and alcohol driving awareness course and associated licenses, the separate specialized driving safety course and associated licenses, the separate driving safety course for drivers under 25 years old, the redundant driving safety school license and the driving safety instructor license. The bill would require a memorandum of understanding to facilitate better coordination between TDLR and the Department of Public Safety (DPS).

The bill would require TDLR to perform inspections based on risk instead of on a periodic basis. The bill would also authorize TDLR to use alternative inspection methods, where appropriate.

## **Methodology**

According to TDLR, any increases or decreases in inspection costs or savings cannot be estimated until the establishment of risk parameters and any resulting inspection frequency, and the parameters and procedures for alternative inspections methods, have all been finalized and are in use. However, the agency reports any increases or decreases are expected to be minimal.

Based on information provided by TDLR, this analysis assumes that beginning in fiscal year 2022 and each year thereafter, the repeal of the Auctioneers program, Polygraph Examiners program, and the event coordinator, second, and matchmaker license types in the Combative Sports program would result in a loss of \$201,850 to General Revenue from license fees and a savings of \$163,911 to General Revenue and a decrease of 2.0 full-time-equivalent positions. Repealing the Auctioneers program would also result in a gain to the General Revenue Fund of approximately \$394,000 in fiscal year 2022 from the transfer of the balance of the Auctioneer Education and Recovery Fund into the General Revenue Fund.

Beginning in fiscal year 2023, and each year thereafter, the provisions of the bill would also result in a loss of \$200,325 to General Revenue from license fees related to changes to the barber, cosmetology, and driver education programs. The provisions of the bill related to the barber, cosmetology, and driver education programs would also result in a gain of \$122,500 to General Revenue in fiscal 2023 and \$52,100 each fiscal year thereafter.

TDLR indicates that any other costs associated with the bill could be absorbed within the agency's existing resources. This analysis assumes that 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.

DPS indicates that any costs associated with the bill could be absorbed within the agency's existing resources.

**Note:** This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 452 Dept of License & Reg

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