

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 3, 2021

TO: Honorable Chris Paddie, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB424 by Hinojosa (Relating to state agency enforcement of laws regulating small businesses.), **As Engrossed**

The fiscal implications of the bill are indeterminate. Costs associated with implementing the provisions of the bill are dependent on the number of first time violations of statute or rule by small businesses and the number of those small businesses that are able to remedy the violation. The number of small businesses who would be allowed the opportunity to remedy a first violation of a statute or of a rule administered by a state agency before any penalties are imposed is unknown.

A state agency with regulatory authority over a small business is required to implement the provisions of the bill only if the legislature appropriates money specifically for that purpose.

The bill would add Section 2006.003, Government Code, which would require a state agency with regulatory authority over a small business adopt a policy that would provide a small business with an opportunity to remedy the business's first violation of a rule or statute administered by that agency.

Costs associated with implementing the provisions of the bill are dependent on the number of first time violations of statute or rule by small businesses and the number of those small businesses that are able to remedy the violation. The number of small businesses who would be allowed the opportunity to remedy a first violation of a statute or of a rule administered by a state agency before any penalties are imposed is unknown. Therefore, the bill's fiscal implications cannot be determined.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 312 Securities Board, 320 Texas Workforce Commission, 364 Health Professions Council, 452 Dept of License & Reg, 456 Board of Plumbing Examiners, 458 Alcoholic Beverage Commission, 459 Board of Architectural Examiners, 515 Board of Pharmacy, 582 Commission on Environmental Quality

LBB Staff: JMc, SMAT, BRI, SZ, SD