

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 25, 2021

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB424 by Hinojosa (Relating to state agency enforcement of laws regulating small businesses.), **As Passed 2nd House**

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 that 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. If the legislature does not appropriate money specifically for that purpose, the state agency may, but is not required to, implement the provisions of the bill using other appropriations available for the purpose.

The bill would add Section 2006.003, Government Code, which would require a state agency with regulatory authority over a small business to 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.

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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, 701 Texas Education Agency

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