

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 29, 2021

TO: Honorable Bryan Hughes, Chair, Senate Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB704 by Buckingham (relating to the transfer of the regulation of racing to the Texas Department of Licensing and Regulation, the abolishment of the Texas Racing Commission, and the creation of the Texas Racing Advisory Board, following recommendations of the Sunset Advisory Commission.),
Committee Report 1st House, Substituted

The fiscal implications of the bill cannot be determined at this time due to the savings from the efficiencies resulting from administratively attaching the Texas Racing Commission to the Texas Department of Licensing and Regulation being unknown.

The bill would amend the Government Code, Tax Code, and Occupations Code relating to the transfer of the regulation of racing to the Texas Department of Licensing and Regulation (TDLR), the abolishment of the Texas Racing Commission, and the creation of the Texas Racing Advisory Board. The bill would also transfer administration of the Horse Industry Escrow Trust Account from the Texas Racing Commission to TDLR.

Administratively attaching the Texas Racing Commission to TDLR would result in administrative efficiencies due to shared services such as human resources and IT, and consolidation of licensing and regulatory functions, but the savings from these efficiencies cannot be estimated at this time. Requiring administrative penalties to be deposited into the General Revenue Fund would result in a gain of \$0.4 million to the General Revenue Fund over the next five fiscal years and a corresponding loss to the commission's General Revenue-Dedicated account.

This analysis assumes implementing the provisions of the bill addressing sanctions for criminal offenses would not result in a significant impact on state correctional agencies.

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.

Local Government Impact

The Texas Association of Counties does not anticipate a significant fiscal impact to counties.

Source Agencies: 116 Sunset Advisory Commission, 212 Office of Court Admin, 300 Trusteed Programs - Gov, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 356 Texas Ethics Commission, 405 Department of Public Safety, 452 Dept of License & Reg, 476 Racing Commission

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