

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 23, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3579 by Bumgarner (Relating to the issuance of an emergency order by the Texas Department of Licensing and Regulation against a massage establishment.), **As Passed 2nd House**

The fiscal implications of the bill cannot be determined due to the uncertain nature of the increase in cases as a result of the lower evidentiary standard required for the Texas Department of Licensing and Regulation to issue an emergency order to halt operation under the bill's provisions.

The bill would require the Texas Department of Licensing and Regulation (TDLR) to issue an emergency order to halt the operation of a massage establishment if TDLR learns that a law enforcement agency is investigating the establishment for a human trafficking offense or if TDLR has reasonable cause that a human trafficking offense is being committed at the establishment. These emergency suspension orders would require a hearing to be conducted by the State Office of Administrative Hearings (SOAH) within 10 days of the TDLR order. Additionally, the bill would amend the Occupations Code to establish that regulations adopted by a political subdivision relating to conditional use permits and hours of operation of massage therapists are not affected by statutory regulations of massage therapy.

This analysis assumes that, under the bill's provisions, there would be an increase in the number of emergency suspension cases that would trigger a SOAH hearing due to a lowered "reasonable cause" threshold; however, the number of additional emergency orders issued and associated SOAH hearings cannot be estimated.

According to SOAH and TDLR, if the number of emergency orders and associated SOAH cases is significant then both agencies would need additional full-time equivalent positions to support this increased caseload.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 360 State Office of Administrative Hearings, 452 Department of Licensing and Regulation

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