

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 12, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2789 by Frank (Relating to the regulation of child welfare, including licensure, community-based care contractors, family homes, and child-care facilities.), **As Engrossed**

The fiscal implications of the bill related to the change in the liability insurance coverage cannot be determined due to the uncertainty of the impact on the insurance premium tax revenue.

The bill would extend the validity of an initial child-care license from six months to 12 months and reduce the penalty for renewing an expired license from twice the renewal fee to 1.5 times the fee for a license that has been expired for more than 90 days but less than a year. The Comptroller's office anticipates no significant revenue impacts associated with implementing these provisions of the bill.

The bill would also lower the required liability insurance coverage from \$300,000 to \$100,000 for a child-care facility and a listed family home for each occurrence of negligence and would eliminate the requirement that a listed home annually provide proof of insurance. The impact on the insurance premium tax revenue cannot be determined.

It is assumed that any costs to the Office of Court Administration, the Comptroller of Public Accounts, the Health and Human Services Commission, and the Department of Family and Protective Services could be absorbed with existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of

LBB Staff: JMc, NPe, AN, ER