LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 30, 2025

TO: Honorable Terry M. Wilson, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3976** by Button (relating to the waiver of license renewal fees for certain instructors in high-demand fields at public institutions of higher education.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3976, Committee Report 1st House, Substituted: a negative impact of ($2,245,000) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2026	($1,118,000)
2027	($1,127,000)
2028	($1,136,000)
2029	($1,146,000)
2030	($1,156,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from General Revenue Fund 1
2026	($1,118,000)
2027	($1,127,000)
2028	($1,136,000)
2029	($1,146,000)
2030	($1,156,000)

Fiscal Analysis

The bill would require state agencies that issue certain occupational licenses to waive license renewal fees for faculty members or adjunct professors at public institutions of higher education. The bill would apply to registered nurses, vocational nurses, pharmacists, medical radiologic technologists, respiratory care practitioners, engineers, plumbers, air conditioning and refrigeration contractors, electricians, and educators.

Methodology

According to the Texas Comptroller of Public Accounts (CPA), state agencies affected by the bill provided information to the agency to assess the possible decrease in fee collections. The table above displays the fiscal impacts from the agencies that provided estimates, with an additional 10 percent allowance for those agencies that CPA believes are affected by the bill, but did not respond to the information request. Based on analyses provided by agencies, the highest revenue losses would likely be attributable to the Texas Education Agency and the Board of Nursing. All agency estimates are a result of the bill's provision that would exempt certain individuals from license renewal fees.

This analysis assumes that all agencies could implement the bill within existing resources.

With minor exceptions, Article VIII agencies are statutorily required to collect revenue sufficient to, at a minimum, cover the costs of their appropriations. Such agencies that would be impacted by the bill's provision waiving certain licensing fees may seek to offset in whole or in part the revenue that would be lost due to fee waivers by raising licensing fees. The extent to which impacted agencies may do so is unknown, so this analysis assumes there would be no offsetting fee revenue increases.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 452 Department of Licensing and Regulation, 456 Board of Plumbing Examiners, 460 Board of Professional Engineers and Land Surveyors, 503 Texas Medical Board, 507 Texas Board of Nursing, 515 Board of Pharmacy, 701 Texas Education Agency

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