

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 17, 2025

TO: Honorable Dade Phelan, Chair, House Committee on Licensing & Administrative Procedures

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5043 by McQueeney (Relating to the issuance of a provisional license to certain military service members, military veterans, and military spouses to engage in a business or occupation in this state.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB5043, As Introduced: a negative impact of (\$1,455,629) 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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$767,054)
2027	(\$688,575)
2028	(\$688,575)
2029	(\$688,575)
2030	(\$688,575)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$767,054)	5.5
2027	(\$688,575)	5.5
2028	(\$688,575)	5.5
2029	(\$688,575)	5.5
2030	(\$688,575)	5.5

Fiscal Analysis

The bill would amend the Texas Occupations Code, related to the licensing of military service members, military veterans, and military spouses, to require state agencies that issue a license to issue a provisional license to military service members, military veterans or military spouses upon receipt of an application for a license. The bill would only apply to individuals who either hold a current equivalent license issued by another jurisdiction or held the same license in the state up to five years prior. The provisional license would expire upon the approval or disapproval of the application or after 180 days.

Section 55.009 of the Texas Occupations Code waives all licensing and examinations fees for the affected population of this bill. As occupational licensing agencies are required to generate revenue equal to the cost of their appropriations, costs associated with this bill may result in fee increases for other occupational licensee populations.

This bill would take effect September 1, 2025.

Methodology

Based on the analysis of the Texas Department of Licensing and Regulation (TDLR), the agency would require additional staff to implement the provisions of the bill as it does not currently issue provisional licenses and has no function to do so in its licensing databases. TDLR anticipates and this estimate assumes that the agency would require 5.5 additional full-time equivalent (FTEs) positions to implement the provisions of the bill beginning in fiscal year 2026. Three Programmer positions (\$100,618 per year with \$30,084 in estimated benefits), 1.5 Information Technology Business Analyst positions (\$75,609 per year with \$22,607 in estimated benefits), a 0.5 Database Administrator (\$46,860 each year with \$14,011 in estimated benefits), and a 0.5 Project Manager (\$45,132 per year with \$13,494 in estimated benefits) would be responsible for implementing provisional licenses into all licensing database systems and maintaining the feature to allow for the provisional licenses to be monitored and tracked accordingly. Additionally, this estimate assumes annual costs of \$29,543 for operating expenses, and one-time costs of \$30,000 for the change order to the database vendor and \$48,479 for agency equipment in fiscal year 2026.

Based upon the analysis of other state occupational licensing agencies, costs associated with implementing the provisions of the bill could be absorbed using existing resources.

Technology

According to TDLR, there would be a one-time database change order cost of \$30,000 in fiscal year 2026.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 329 Real Estate Commission, 452 Department of Licensing and Regulation, 454 Department of Insurance, 456 Board of Plumbing Examiners, 457 Board of Public Accountancy, 459 Board of Architectural Examiners, 460 Board of Professional Engineers and Land Surveyors, 503 Texas Medical Board, 507 Texas Board of Nursing, 510 Behavioral Health Executive Council, 515 Board of Pharmacy, 529 Health and Human Services Commission, 537 State Health Services, Department of, 578 Board of Veterinary Medical Examiners

LBB Staff: JMc, TUF, KDw, GDZ, BFa