

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 3, 2025

TO: Honorable Giovanni Capriglione, Chair, House Committee on Delivery of Government Efficiency

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB14 by King (Relating to reforming the procedure by which state agencies adopt rules and impose regulatory requirements and the deference given to the interpretation of laws and rules by state agencies in certain judicial proceedings.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB14, As Engrossed: a negative impact of (\$9,693,240) through the biennium ending August 31, 2027.

The Office of the Governor, Department of Information Resources, the Texas Regulatory Efficiency Office, and the Secretary of State are required to implement certain provisions of the bill only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, these entities may, but are not required to, implement a provision of the bill using other appropriations available for that purpose.

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	(\$5,361,861)
2027	(\$4,331,379)
2028	(\$4,398,861)
2029	(\$4,331,379)
2030	(\$4,398,861)

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	(\$5,361,861)	18.0
2027	(\$4,331,379)	18.0
2028	(\$4,398,861)	18.0
2029	(\$4,331,379)	18.0
2030	(\$4,398,861)	18.0

Fiscal Analysis

The bill would amend the Government Code to establish the Texas Regulatory Office (Office) as an office within the Office of the Governor (OOG). The bill would also allow for the Office to establish the Texas Regulatory Efficiency Advisory Panel (Panel) to serve as an advisory panel to the OOG, as needed. The Office would be established to identify opportunities to streamline rule adoption, regulatory review, and contested cases; assist state agencies to identify unnecessary or ineffective rules, evaluate impact and costs; coordinate with the Secretary of State (SOS), the Department of Information Resources (DIR), and other state agencies to improve public access to information about state rules, forms, and filings and create an interactive website for public use; coordinate with state agencies to reduce certain regulatory requirements; and prepare and publish manuals, guides, or other publications. The Office would coordinate with the Panel, state agencies, and the OOG, as applicable, to accomplish these purposes.

The Office would provide staff, facilities, and other administrative support necessary to assist the Panel. Members of the Panel would be designated by the Governor, who may give priority to certain individuals.

The bill would take effect September 1, 2025, or immediately if it receives a vote of two-thirds of all members elected to each house.

Methodology

Upon the reevaluation of their analysis and in consideration of the committee substitute, the OOG has anticipated that in order for the Texas Regulatory Efficiency Office to establish and perform the necessary duties, the agency will need an additional 18 additional FTEs. The following positions would be needed: 1 Director VII, 1 Director III, 8 Attorney V, 2 Data Scientist II, 4 Program Specialist IV, 0.5 Programmer IV, 1 Administrative Assistance VI, and 0.5 Information Technology Support Specialist V. The OOG estimates a onetime cost of \$200,000 in fiscal year 2026 related to a technical writer for the original draft of the Regulatory Economic Analysis Manual. The total estimate for FTE-related costs, travel, various operating expenses, and onetime cost in the 2026-27 biennium for the OOG associated with the Office is anticipated to be \$7,622,240.

This analysis assumes any costs to the SOS and Office of Court Administration would be absorbed within existing resources.

Technology

DIR estimates a onetime cost of \$1,090,000 in fiscal year 2026 and estimated maintenance costs of \$327,000 in fiscal year 2026 and a recurring annual maintenance cost of \$654,000 in each fiscal year 2027-2030 thereafter. Onetime cost includes the application development within Texas.gov.

Local Government Impact

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

Source Agencies: 300 Trusteed Programs Within the Office of the Governor

LBB Staff: JMc, RStu, KCu, CMA, LCO, NV