

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	SB 1542
Version:	FA2-A1
Request Number:	
Author:	Rep. Kannady
Date:	4/25/2018
Impact:	FA2-A1: no further impact
	ENGR: ABLE: potential negative revenue impact on the Commission and the General Revenue Fund in FY-19 & FY-20

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

The first amendment to FA2 on SB 1542 does not affect the fiscal impact of the engrossed version. See below for the engrossed impact:

SB 1542, upon review by the ABLE Commission, is determined to have a potential negative revenue impact for both the Commission as well as the General Revenue (GR) Fund, as the Commission remands all license revenue to the GR Fund on a monthly basis, and retains only the surcharges for its operations.

According to the agency:

The measure will result in a decrease of GR collections, as well as agency surcharge collections due to the license extension option. It is impossible to determine the amount of current and potential licensees that would take advantage of a 20-month license over the standard 1-year, and therefore impossible to determine the amount this will cost the state through loss of revenue. However, ABLE Commission is estimating the measure to cost anywhere from \$0 to a significant portion of total monthly collections during FY-19 & FY-20 depending on how many licensees decide to opt for the longer license. See below for ABLE's GR collection averages.

FY-16 average monthly GR collections: \$486,427

FY-17 average monthly GR collections: \$555,996

The exact decrease in GR collections is contingent upon how many licensees opt to take the 20-month license as opposed to the traditional 1-year. This could range in revenue losses for General Revenue from \$0 up to a significant portion of the typical monthly collections during FY-19 & FY-20.

Prepared By: Kristina King

Other Considerations

The ABLE licensing system is currently unable to accommodate the processing of new licenses that are not the 1-year option. The ABLE Commission will also have to issue refunds for certain licensees which will require a reprogramming of the agency's licensing system which might generate unanticipated costs to the Commission.

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