

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 21, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB216 by Menendez (Relating to the regulation of certain boarding houses and assisted living facilities; providing penalties.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would add Chapter 254 to the Health and Safety Code to authorize a county or municipality to establish regulations and to require a person to obtain a permit from the county or municipality to operate a boarding home facility (as defined in the bill) within the county's or municipality's jurisdiction. A county or municipality that requires a facility to obtain a permit would be authorized to establish permit procedures and to set reasonable fees associated with the permit process.

A county or municipality that implements a permitting process would also be authorized to conduct inspections of boarding home facilities and to enforce requirements set forth in the provisions of the bill. The county or municipality could also impose fines for noncompliance with county or municipal regulations.

Two or more counties or municipalities could enter into an interlocal agreement for the purpose of inspecting and permitting boarding home facilities.

A county or municipality that establishes a permitting process for boarding home facilities would be required to submit an annual report to the Health and Human Services Commission (HHSC) not later than September 30 of each year regarding boarding home facilities regulated by the county or municipality. The bill stipulates the information that must be included in the report. HHSC would be required to establish and maintain a standardized compilation of the information reported to the agency and provide a report of the information to the Legislature not later than January 1 of each odd-numbered year.

The bill would repeal Section 247.030, Health and Safety Code, to conform with other provisions of the bill regarding licensing of facilities regarding medication supervision.

HHSC would also be required to develop, adopt, and publish by not later than September 1, 2010, model standards for the operation of a boarding home facility. Provisions of the bill regarding local regulation; permit procedures, fees, and fines; posting requirements within a permitted facility; inspections; and interlocal cooperation agreements would take effect September 1, 2010.

Except as noted, the bill would take effect September 1, 2009.

Based on analysis by the Health and Human Services Commission, it is assumed that costs associated with implementing provisions of the bill could be absorbed within existing resources.

Local Government Impact

According to information provided by the Texas Association of Counties and the Texas Municipal League, if a county or a municipality chose to regulate boarding home facilities, the costs associated with enforcing regulations could be significant. The fiscal impact would vary depending on the number of facilities within the jurisdiction of a participating county or municipality. According to

estimates from Harris County, where there are about 170 facilities that fit the definition of a boarding home facility, the county would need to average at least \$450,000 annually in permit revenue to cover the costs of permitting and enforcing regulations.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 539 Aging and Disability Services, Department of

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