

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 31, 2025

TO: Honorable Ken King, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2156 by Harris (Relating to state and local authority to regulate the food service industry.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB2156, As Introduced: a negative impact of (\$294,526) 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>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$154,507)
2027	(\$140,019)
2028	(\$140,019)
2029	(\$140,019)
2030	(\$140,019)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$154,507)	1.0
2027	(\$140,019)	1.0
2028	(\$140,019)	1.0
2029	(\$140,019)	1.0
2030	(\$140,019)	1.0

Fiscal Analysis

The bill would authorize local governments to only require a permit, license, certification, or other form of authority if it would be required of a food service establishment, retail food store, mobile food unit, roadside food vendor, or temporary food service establishment or an employee of any of those entities if the entity or person was located within the jurisdiction of the Department of State Health Services (DSHS).

The bill would require local governments to submit their fee schedules to the DSHS to include in the online registry of local ordinances. DSHS would be required to publish the fee schedules on the agency's website within ten days of receipt.

Methodology

DSHS would require a 1.0 full-time equivalent (FTE) Sanitarian III position to maintain and monitor the fee registry. Benefits, salaries, and related costs for the position would be \$0.1 million for each fiscal year.

DSHS is unable to estimate how many local jurisdictions would opt to cease inspection and permitting for retail foods establishments. If these activities were turned over to DSHS, the agency would need additional support for inspection and permitting activities.

DSHS would communicate the new standards to staff and notify stakeholders and local governments through guidance documents and the DSHS website. This could be absorbed within existing resources.

Technology

DSHS would modify the existing system to create a registry for local governments to submit their annual retail fee schedules. DSHS estimates a cost of less than \$0.1 million for internal staff time.

Information technology related costs for the 1.0 FTE Sanitarian III position would be insignificant.

Local Government Impact

There could be an impact to a political subdivision that's currently implementing regulations that would be prohibited or reduced by the bill.

Source Agencies: 537 State Health Services, Department of
LBB Staff: JMc, WP, ER, CWi, RStu, APA, CMA