

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATURE 1st CALLED SESSION - 2003**

**July 3, 2003**

**TO:** Honorable David Swinford, Chair, House Committee on Government Reform

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB23** by Swinford (Relating to budgetary and other fiscal management matters affecting state government or certain regional entities.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB23, As Introduced: a positive impact of \$6,500,000 through the biennium ending August 31, 2005.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2004	\$3,250,000
2005	\$3,250,000
2006	(\$1,625,000)
2007	(\$1,625,000)
2008	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1</b>
2004	\$3,250,000
2005	\$3,250,000
2006	(\$1,625,000)
2007	(\$1,625,000)
2008	\$0

**Fiscal Analysis**

The bill would amend budgetary and fiscal management statutes regarding state government and certain regional entities. In this fiscal note, only those provisions with a fiscal impact are discussed, namely, articles 4 and 5.

Article 4 would authorize the state auditor to assist the governor in drafting rules for regional planning commissions.

Article 5 would require that property distributable in the course of a demutualization, rehabilitation, or related reorganization of an insurance company is presumed abandoned on the first anniversary of the date the property becomes distributable if, on that date, (1) the last known address of the owner was known to be incorrect or the correspondence with the owner was returned by the post office, and (2)

the owner had not communicated with the holder of the property.

### **Methodology**

The State Auditor's Office states the new requirements related to regional planning commissions could be accomplished within existing resources.

The Comptroller's Office provided the estimate of the return to the state from the distribution of property resulting from demutualization. In three instances, the state receives revenue from its role as custodian of unclaimed property. The change in dates when property is considered abandoned results in an acceleration of state revenue collected from insurance company demutualizations. The revenue from 2006-2007 is reduced to reflect the sums that would be brought forward into the 2004-05 biennium. However, future demutualizations are expected to partially offset these amounts.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 301 Office of the Governor, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 454 Department of Insurance

**LBB Staff:** JK, JO, CT, DLBe