

LEGISLATIVE BUDGET BOARD
Austin, Texas

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

July 7, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB24 by Swinford (Relating to the organization and operations of, and fiscal matters affecting, certain state entities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB24, As Introduced: a positive impact of \$6,122,208 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$2,872,208
2005	\$3,250,000
2006	(\$1,625,000)
2007	(\$1,625,000)
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Savings from <i>CLEAN AIR ACCOUNT</i> 151	Probable Savings from <i>USED OIL RECYCLE ACCT</i> 146	Probable Savings from <i>HAZARDOUS/WASTE FEE ACCT</i> 549
2004	\$3,250,000	\$55,555	\$55,555	\$388,890
2005	\$3,250,000	\$55,555	\$55,555	\$388,890
2006	(\$1,625,000)	\$55,555	\$55,555	\$388,890
2007	(\$1,625,000)	\$55,555	\$55,555	\$388,890
2008	\$0	\$55,555	\$55,555	\$388,890

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	(\$377,792)	(8.0)
2005		(10.0)
2006		(10.0)
2007		(10.0)
2008		(10.0)

Fiscal Analysis

This bill would amend various statutes relating to budgetary and other fiscal management matters affecting state government and certain regional entities. For the purposes of this fiscal note, only those provisions with a fiscal impact are discussed.

Article 3 would abolish the Commission on Private Security and transfer its functions to the Department of Public Safety.

Article 4 states that property distributable in the course of a demutualization, rehabilitation, or related reorganization of an insurance company would be 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.

Article 5 would require the Texas Higher Education Coordinating Board (THECB) to review the organization and operations of each university system office.

Article 10 would eliminate a requirement for a local solid waste management plan to include waste reduction goals. The article would also eliminate numerous reports currently required as stand-alone reports, including: used oil recycling, low-emission vehicles and alternative fuels use, and numerous reports on waste prevention, management, and disposal.

Methodology

The transfer of functions from the Commission on Private Security to the Department of Public Safety would generate some cost savings for items such as travel expenses for board members. These amounts are not reflected in the tables.

The state receives revenue from its role as custodian of unclaimed property. The change in dates that property is considered abandoned would result in an acceleration of revenue collected from abandoned property as a result of an insurance company demutualization. The annual estimated general revenue gain is \$3,250,000 for fiscal years 2004 and 2005. Annual estimated revenue losses for fiscal years 2006 and 2007 are estimated to be (\$1,625,000). However, future demutualizations are expected to partially offset these amounts.

Requiring THECB to review the organization and operations of each of the university system offices would cost an estimated \$337,792 in fiscal year 2004 for two additional staff, travel, and some funds for contracting with outside consultants.

The reduction in the number and frequency of required reports prepared by the Commission on Environmental Quality is expected to reduce costs for employee time and printing. The proposed article is projected to result in a total cost savings to the agency of \$500,000 per year by reducing 10 full-time staff positions and miscellaneous printing expenses.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor, 454 Department of Insurance, 467 Texas Commission on Private Security, 582 Commission on Environmental Quality, 781 Higher Education Coordinating Board, 802 Parks and Wildlife Department

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