

LEGISLATIVE BUDGET BOARD
Austin, Texas

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

July 18, 2003

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB119 by Giddings (Relating to workers' compensation research conducted by the Texas Department of Insurance; making an appropriation.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB119, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make an appropriation but the amount is offset by a corresponding reduction in the Article XI transfer amounts in the General Appropriations Act, 78th Legislature, Regular Session.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	(\$804,928)
2007	(\$804,928)
2008	(\$804,928)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Probable Revenue Gain from New General Revenue Dedicated	Probable (Cost) from New General Revenue Dedicated	Probable Revenue (Loss) from OVERSIGHT WORKERS' COMP 5016
2004	\$0	\$27,468	\$0	(\$27,468)
2005	\$0	\$27,468	\$0	(\$27,468)
2006	(\$804,928)	\$27,468	(\$27,468)	(\$27,468)
2007	(\$804,928)	\$27,468	(\$27,468)	(\$27,468)
2008	(\$804,928)	\$27,468	(\$27,468)	(\$27,468)

Fiscal Year	Probable Savings from OVERSIGHT WORKERS' COMP 5016
2004	\$0
2005	\$0
2006	\$27,468
2007	\$27,468
2008	\$27,468

Fiscal Analysis

This bill would require the Texas Department of Insurance to conduct professional studies and research related to certain workers' compensation issues. The bill would fund these duties through the assessment of a maintenance tax collected annually from all insurance carriers except governmental entities. The tax rate would be based on the authorized expenditures and anticipated legislative appropriations. The bill would repeal statute pertaining to the Research and Oversight Council including the assessment of a maintenance tax to fund agency responsibilities. The bill would appropriate funds for the research.

Methodology

The workers' compensation research would result in additional costs of \$832,396 each year. These amounts would be appropriated to the Texas Department of Insurance for fiscal years 2004 and 2005. Each year \$804,928 would be appropriated from general revenue funds and \$27,468 would be appropriated from a new special account. The 2004-05 appropriations would be offset by a corresponding reduction in the Article XI transfer amounts in the General Appropriations Act, 78th Legislature, Regular Session. It is assumed that the costs would remain the same for fiscal years 2006 through 2008.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 454 Department of Insurance, 478 Research and Oversight Council on Workers' Compensation

LBB Staff: JK, JRO, WP, DLBe